Capital Adequacy & Risk Management Report – Pillar 3

2021

SEB

This is SEB

SEB is a leading northern European financial services group with a history dating from 1856. Innovation, entrepreneurship and an international perspective are part of our DNA.

We engage with our clients through long-term relationships, personal advice and digital services. We take responsibility for how we conduct our business and how we affect our customers, employees, shareholders and society at large. The Bank is present in some 20 countries worldwide.

#1
Corporate and Institutional Bank in the Nordics 2021
Prospera

#1
Business Bank of the Year 2021 – for the third year in a row
Finansbarometern

#1
Bank of the Year 2021
Privata Affärer

We serve our customers through our divisions...

Large Corporates & Financial Institutions
Commercial and investment banking services for large corporate and institutional customers in the Nordic region, Germany and the United Kingdom as well as in our international network.

Corporate & Private Customers
Full banking and advisory services for private individuals and small and medium-sized corporate customers in Sweden, as well as card services in four Nordic countries.

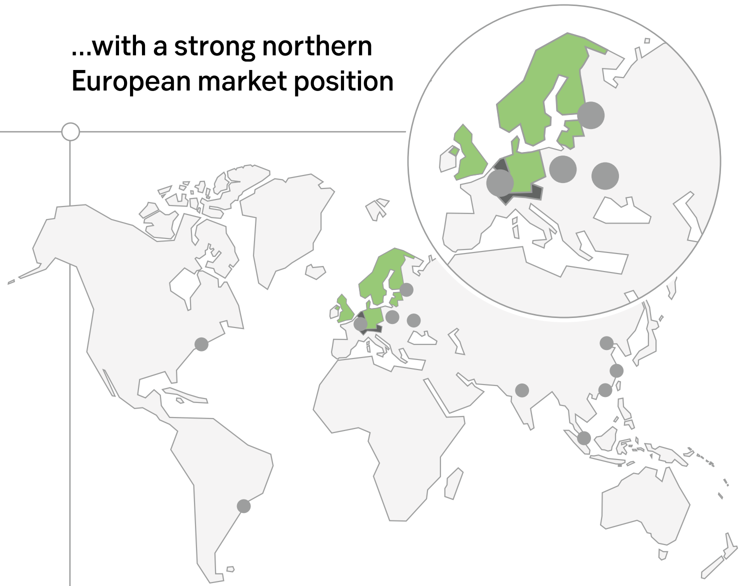
Private Wealth Management & Family Office
Leading private banking services with global reach for Nordic high-net-worth individuals.

Baltic
Full banking and advisory services for private individuals and small and medium-sized corporate customers in Estonia, Latvia and Lithuania.

Life
Life insurance solutions for private as well as corporate and institutional customers mainly in the Nordic and Baltic countries.

Investment Management
Management of SEB-labelled funds and mandates for customers channelled via other divisions.

...with a strong northern European market position



Home markets
– we serve all our customers with a wide range of products
Sweden, Norway, Denmark, Finland, Estonia, Latvia, Lithuania, Germany and the United Kingdom

Geographical expansion
– we expand our business for large corporate customers
Austria, The Netherlands and Switzerland

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

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About this report

SEB is committed to maintain public transparency with regards to the development of its business, financial performance and risks. Extensive information is provided in the group's financial reports, including the Annual Report, the quarterly interim reports and in the Fact Books. In the Pillar 3 disclosures, SEB provides additional information on its risk exposures, risk management and capital adequacy.

Regulatory framework for disclosures

The Basel Committee's framework for banking regulation is based on a concept of three pillars:

Pillar 1 – Minimum capital requirements to meet credit, market and operational risk;

Pillar 2 – Supervisory review process, and the bank's internal process for assessing overall capital and liquidity adequacy in accordance with its risks; and

Pillar 3 – Market discipline enabled by disclosures.

Pillar 3 entails extended disclosures by banks with regard to their capital position, risk exposures and risk management processes. Pillar 3 requires all material risks to be disclosed in order for investors and other market participants to assess the risk profile of individual banks. The disclosure requirements are stipulated in the Capital Requirements Regulation (CRR) and in the Capital Requirements Directive (CRD). Additional CRR requirements entered into force on 27 June 2019, while amendments to the CRD, after transposition to Swedish law, started to apply on 29 December 2020. The majority of the supplementary CRR requirements entered into force on 28 June 2021.

Basis for SEB's Pillar 3 disclosures

SEB's Pillar 3 disclosures are prepared in accordance with the requirements stipulated in the Capital Requirements Regulation (Regulation (EU) 575/2013), the EBA's implementing technical standards (ITS) with regard to disclosure of own funds (EU Regulation No 1423/2013), the Swedish FSA's regulations on prudential requirements and capital buffers (FFFS 2014:12) and the EBA's guidelines on disclosure requirements under Part 8 of the CRR. Together with the Annual Report, this report and the additional quarterly and semi-annual Pillar 3 disclosures provide information on SEB's material risks, including details on the group's risk profile forming the basis for the calculation of the capital requirement. The Pillar 3 disclosures complement the Annual Report with additional information and is therefore intended to be read in conjunction with the Annual Report – in particular the sections; Risk, liquidity and capital management, Corporate Governance and the Notes to the financial statements.

The Pillar 3 report 2021 is based on the group consolidated situation as at 31 December 2021. The group consolidated situation represents the regulatory scope of consolidation according to the CRR, established for the purposes of prudential supervision and differs from the group's consolidated financial statements as set out in the Annual Report.

The relationship between the group consolidated situation and the group consolidated financial statements is set out in Tables 61–63 in this report.

The group consolidated situation is based upon its financial position established by the accounting policies of the group, in accordance with International Financial Reporting Standards (IFRS) and interpretations of those standards as adopted by the European Commission. In this report, SEB consolidated situation is referred to as SEB, unless otherwise stated.

The significant accounting policies for the group are presented in the Annual Report, note 1 Accounting Policies. The information in this report has not been subject to external audit. The Pillar 3 disclosures can be found on SEB's website www.sebgroup.com.

This report is produced in accordance with the group's disclosure policy and internal processes, systems and controls for financial and regulatory reporting.

Stockholm, 1 March 2022

Peter Kessiakoff
Acting CFO

Mats Holmström
CRO

SEB's key metrics

Table 1. EU KM1 – Key metrics (at consolidated group level)

	SEK m	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021	31 Dec 2020
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	154,821	151,846	159,423	154,772	152,124
2	Tier 1 capital	168,375	164,984	172,223	167,842	164,403
3	Total capital	181,737	173,162	180,143	175,707	181,835
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	787,490	753,104	754,768	761,144	725,560
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	19.7	20.2	21.1	20.3	21.0
6	Tier 1 ratio (%)	21.4	21.9	22.8	22.1	22.7
7	Total capital ratio (%)	23.1	23.0	23.9	23.1	25.1
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU-7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.8	1.8	2.2	2.2	2.3
EU-7b	*of which: to be made up of CET1 capital (percentage points)*	*1.2*	*1.2*	*1.5*	*1.5*	*1.5*
EU-7c	*of which: to be made up of Tier 1 capital (percentage points)*	*1.4*	*1.4*	*1.8*	*1.8*	*1.9*
EU-7d	Total SREP own funds requirements (%)	9.8	9.8	10.2	10.2	10.3
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5
EU-8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)					
9	Institution specific countercyclical capital buffer (%)	0.1	0.1	0.1	0.1	0.1
EU-9a	Systemic risk buffer (%)	3.0	3.0	3.0	3.0	3.0
10	Global Systemically Important Institution buffer (%)					
EU-10a	Other Systemically Important Institution buffer	1.0	1.0	1.0	1.0	1.0
11	Combined buffer requirement (%)	6.6	6.6	6.6	6.6	6.6
EU-11a	Overall capital requirements (%)	16.4	16.4	16.8	16.8	16.9
12	CET1 available after meeting the total SREP own funds requirements (%)	13.2	13.2	13.6	12.8	14.8
Leverage ratio						
13	Total exposure measure	3,352,452	3,561,793	3,619,072	3,671,255	3,226,866
14	Leverage ratio (%)	5.0	4.6	4.8	4.6	5.1
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)						
EU-14a	Additional own funds requirements to address the risk of excessive leverage (%)					
EU-14b	*of which: to be made up of CET1 capital (percentage points)*					
EU-14c	Total SREP leverage ratio requirements (%)	3.0	3.0	3.0		
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU-14d	Leverage ratio buffer requirement (%)					
EU-14e	Overall leverage ratio requirements (%)	3.0	3.0	3.0		
Liquidity Coverage Ratio[1)]						
15	Total high-quality liquid assets (HQLA) (Weighted value)	880,569	821,930	771,297	722,631	668,887
EU-16a	Cash outflows – Total weighted value	893,874	827,033	769,532	712,420	634,853
EU-16b	Cash inflows – Total weighted value	215,752	206,905	201,218	201,579	198,301
16	Total net cash outflows (adjusted value)	678,122	620,128	568,313	510,841	436,553
17	Liquidity coverage ratio (%)	131	134	137	143	158
Net Stable Funding Ratio						
18	Total available stable funding	1,567,832	1,545,511	1,502,374	1,490,481	
19	Total required stable funding	1,413,565	1,396,516	1,361,619	1,345,922	
20	NSFR ratio (%)	111	111	110	111	

1) Averages of month end observations over the twelve months preceding the end of each quarter.

Risk management

SEB takes risk with the aim of creating customer value and sustainable returns to shareholders. Management of risk is a core activity in a bank and fundamental to long-term profitability and stability.

Risk management framework

SEB defines risk as the possibility of a negative deviation from an expected financial outcome. SEB's profitability is directly dependent on its ability to evaluate, manage and price the risks encountered, while maintaining an adequate capital and liquidity position to meet unforeseen events.

SEB's main risk is credit risk. Other risks include market risk, operational risk, liquidity risk, insurance and pension risk, and business risk. Sustainability related risks are not regarded as a separate risk category, but as risk factors that have bearing on the existing risk categories. This means that the management of sustainability-related risks is integrated into the existing governance and processes for identifying, measuring, monitoring and reporting risks.

SEB has a robust risk management framework, with defined Board risk tolerances, an independent risk control, risk analysis and credit approval functions supported by advanced internal risk measurement models. The cornerstones of SEB's risk and capital management include Board supervision, common definitions and principles, a clear decision-making structure, controlled risk-taking within established limits, a high level of risk awareness among staff, and a high degree of transparency in external disclosure. SEB's risk culture is based on long experience, strong customer relationships and sound banking principles providing a solid foundation for the bank's risk governance.

Risk tolerance

The Board of Directors is responsible for setting the maximum acceptable levels of risks to be taken by the group. This is formulated in the risk tolerance statements which are reviewed in connection with the annual approval of SEB's Business Plan and apply to the entire group. The Board's risk tolerance statements represent a long-term view of the boundaries within which the Board expects the group to operate and cover both financial and non-financial risks such as operational risk including legal and compliance risk.

In order to monitor that SEB operates within the boundaries of the Board's risk tolerance and limits, a framework of risk measures has been established for the group, its divisions, and business areas.

SEB's risk profile, in relation to the risk tolerance, is monitored and followed up regularly by the risk organisation and is reported on a quarterly basis to the Group Executive Committee (GEC), the Group Risk Committee (GRC), the Board's Risk and Capital Committee (RCC) and the Board.

Three lines of defence

As the first line of defence, the business areas are responsible for the risks that arise in their operations. Long-term customer relationships and a sound risk culture provide a solid foundation for SEB's risk-taking decisions. Initial risk assessments are made of both the customer relationship and the proposed transaction. The business units ensure that transactions are correctly priced and that the assumed risks are managed throughout the life of the transaction. Larger transactions are approved by the bank's credit committees.

The business units are responsible for ensuring that the activities comply with applicable rules. They are supported by SEB's Code of Conduct, policies and instructions, and a clear decision-making structure.

The risk and compliance organisations constitute the second line of defence and are independent from the business. The risk organisation is responsible for ensuring that risks are identified, measured, assessed, monitored, managed, mitigated and reported in SEB. Risks are measured both on an aggregated level as well as on a detailed divisional and geographical level. SEB has developed advanced internal measurement models for a majority of the credit portfolio as well as for market and operational risk and has approval from the Swedish FSA and the ECB to use the models for calculation of capital requirements. Risks are controlled through limits on transactional, counterparty, desk and portfolio levels. Asset quality is monitored and analysed continuously, for example through stress testing.

The compliance organisation ensures the quality of compliance and focuses on issues such as customer protection, conduct in the financial market, prevention of money laundering and financing of terrorism, and other regulatory compliance and control, under the direction of the Board and management.

The internal audit function is the third line of defence. The function reviews and evaluates that SEB's risk and compliance management is adequate and effective both in the first and second line of defence. The internal auditors are in turn evaluated by external auditors. Based on the evaluations by the third line, the processes in the first and second lines of defence are continuously strengthened. SEB's robust governance framework, in combination with its sound risk culture and business acumen, constitutes the cornerstones of an effective risk management.

→ For further information about SEB's risk management and the development of the risk profile in 2021, please see the Annual Report – Risk, liquidity and capital management.

Risk tolerance statements in brief

SEB shall:

- **have a robust credit culture based on** long-term relationships, knowledge about the customers and focus on their repayment ability. This will lead to a high quality credit portfolio.
- **have a sound structural liquidity position**, a balanced wholesale funding dependence and sufficient liquid reserves to meet potential net outflows in a stressed scenario.
- **maintain low non-financial risk and loss** through an effective internal control framework and maintain the bank's reputation.
- **target low earnings volatility** by generating earnings based on client-driven business.
- **maintain satisfactory capital strength** in order to manage aggregated risks, guarantee the bank's long-term survival and its position as a financial counterparty, while operating safely within regulatory requirements and meeting rating targets.

Risk governance

SEB's risk governance is structured as follows:

The *Board of Directors* shall ensure that SEB is organised in such a way that, among other things, it has an effective internal control framework ensuring that all risks inherent in the activities of the group are identified, measured, assessed, monitored, managed, mitigated and reported, and that the functions for risk control, compliance and internal audit are in place, that they are independent, separate from each other and have adequate resources, competences and responsibilities. The Board defines the principles for risk management in SEB's Group Risk Policy. This policy is supplemented by instructions issued by the Risk and Capital Committee and the Group Risk Committee. The Board defines the bank's overall risk tolerance, and risk mandates are allocated by board committees and executive management committees. A comprehensive risk management governance structure ensures that policies approved by the Board are effectively complied with in all of SEB's risk-taking activities.

The *Risk and Capital Committee* (RCC) supports the Board in ensuring that SEB is organised and managed in such a way that all risks inherent in the group's business are controlled in accordance with the Board's risk tolerance statements as well as with external and internal rules. The RCC also monitors the group's capital situation on a continuous basis. The RCC sets the principles and parameters for measuring and allocating risk and capital within the group and oversees risk management systems and the risk tolerance and strategy for the near and long-term.

The RCC prepares a recommendation for the appointment and dismissal of the CRO. Furthermore, the committee decides on individual credit matters of major importance or of importance as to principles and assists the Board's Remuneration Committee in providing a risk-based view on the remuneration system. The group's CFO has the overall responsibility for informing and submitting proposals to the RCC on matters related to capital and funding. The CRO has the same overall responsibility regarding risk and credit related matters. The CEO, the CFO and the CRO regularly participate in the meetings.

The *Group Risk Committee* (GRC) is a group-wide, decision making committee that addresses all types of risk at group level in order to evaluate portfolios, products and customers from a comprehensive risk perspective. The GRC is tasked with making important credit decisions and ensuring that all risks inherent in the group's activities are identified, measured, assessed, monitored, managed, mitigated and reported in accordance with internal and external rules. The GRC also supports the CEO in ensuring that decisions regarding the group's long-term risk tolerance are followed in the business organisation and ensures that the Board's guidelines for risk management are implemented and that the necessary rules and policies for risk taking in the group are maintained and enforced. The committee's chairman is the CEO and the deputy chair is the CRO.

The Asset and Liability Committee (ALCO) is a groupwide decision-making, monitoring and consultative body that manages financial stability, particularly in new regulatory frameworks, strategic capital and liquidity issues (including internal capital allocation and principles for internal pricing), balance sheet structure and development and other balance sheet related issues, financing of wholly owned subsidiaries, as well as the group's funding strategy. The committee's chairman is the CEO and the deputy chair is the CFO.

In 2021, the *Group Internal Control and Compliance Committee* (GICC) was established, primarily handling matters and follow-up in the area of internal control and regulatory compliance. The GICC is a consultative forum to the CEO and consists of the CEO, the CFO and the Deputy CEO(s).

The *Chief Risk Officer* (CRO) is appointed by the Board and reports to the CEO. The CRO regularly informs the Board, the RCC, the ACC, the GEC, the ALCO and the GRC regarding risk matters. The CRO has a global functional responsibility, and the activities of the CRO are governed by and set out in an instruction adopted by the Board. The CRO Function is organised in four units: *Group Risk, Group Credits, Prudential Regulatory Affairs and CRO Office.*

Group Risk is responsible for ensuring that risks are identified, measured, assessed, monitored, managed, mitigated and reported in SEB. The unit also develops and maintains SEB's risk measurement models. The Head of Group Risk is appointed by the CEO upon recommendation by the CRO, and reports to the CRO. The main objectives, and the responsibilities of Group Risk are stipulated in the Instruction for Group Risk.

Group Credits is responsible for managing the credit approval process for certain individual credit decisions and for monitoring compliance with the credit policies set by the RCC and the Board. Its activities are regulated by the group's Credit Instruction, adopted by the Board, as well as the Instruction for Group Credits. The chairs of the respective divisional credit committees have the right to veto credit decisions. Material exceptions to the group's credit policies must be escalated to a higher level in the decision-making structure. The Group Credit Officers are appointed by the CEO, upon recommendation by the CRO, and report to the CRO.

The *Prudential Regulatory Affairs Office* within the CRO Function was formalised in 2021 with the objective to further support and coordinate overarching regulatory activities in an increasingly complex regulatory environment. The unit aims at improving regulatory intelligence, following-up on consistent handling and reporting on supervisory activities as well as the development of a group-wide regulatory forum and knowledge hub for information sharing and training on regulatory matters.

The *CRO Office* aggregates and analyses data across risk types and the group's credit portfolios and handles general matters surrounding risk governance and risk disclosure. The unit also supports the CRO, Group Risk and Group Credits.

The CRO Function is also responsible for the *customer risk* framework and for managing the customer risk approval process where customers shall be assessed against SEB's Customer Acceptance Standards (CAS). The CAS are derived from the Board's risk tolerance statements and are issued by the CRO. The CAS are adopted by the *Group Executive Committee* (GEC).

For further information regarding SEB's CAS, please see the Annual Report.

→ For further information about SEB's governance arrangements, please see the Annual Report – Corporate Governance. This section also provides information on the number of directorships held by Board members, the recruitment and diversity policies for the selection of Board members, as well as more information on the work of the RCC.

Credit risk

Credit risk is the risk of loss due to the failure of an obligor to fulfil its obligations towards SEB. The definition also comprises counterparty risk derived from the trading operations, country risk and settlement risk.

Risk management

The predominant risk in SEB is credit risk which arises from lending activities and through commitments to customers, including large companies, small and medium-sized companies, financial institutions, public sector entities and private individuals.

SEB's credit portfolio includes loans, contingent liabilities and trading products and is well-balanced with a stable risk profile. The main focus is on corporate customers in the Nordics, Germany, UK and the Baltics and households in Sweden and the Baltics.

More than half of the credit portfolio consists of exposure to corporates, primarily Nordic and German large corporates active in a wide range of industries and geographies. The household portfolio, accounting for 27 per cent of the total credit portfolio, is dominated by Swedish household mortgages. This portfolio is of high quality with low and stable historical credit losses, a sound portfolio loan-to-value ratio and proven strong repayment capacity among customers. Exposure to real estate management accounts for 15 per cent of the total credit portfolio and is comprised of residential real estate and housing co-operative associations in Sweden and commercial real estate in the Nordic region. Of the total credit portfolio, the Baltic countries account for 7 per cent.

Credit risk policy and approval process

The overriding principle of SEB's general credit granting 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 by the bank and the purpose of the loan shall be fully understood. The business units take full responsibility for the credit risk until repayment.

A credit approval is based on an evaluation of the customer's creditworthiness and the type of credit. Relevant factors include the customer's current and anticipated financial position and protection provided by covenants and collateral. A credit approval takes the proposed transaction into account as well as the customer's total business with SEB. The credit decision includes a risk classification of the customer based on this analysis. The process differs depending on the type of customer, the customer's risk level, and the size and type of transaction.

For larger corporate customers, independent and professional credit analysis is particularly important, and the decisions are mostly taken by a credit committee. For private individuals and small businesses, the credit approval process is often based on credit scoring models. Every credit decision of significance requires approval from an independent credit officer.

Credit decisions are taken based on a hierarchical structure, with the Group Risk Committee (GRC) being the highest credit granting body, with limited exceptions. Below the GRC 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.

Managing sustainability risks in the credit portfolio

In SEB's counterparty credit analysis, the group assesses the impact that environmental, social and governance (ESG) drivers might have on the customer's repayment capacity.

This is done in a systematic way through an internally developed framework for corporate customers. SEB's credit policies also reflect the group's sustainability strategy in the Corporate Sustainability Policy and the Environmental Policy, with emphasis on opportunities as well as risks relating to ESG. SEB's position statements on climate change, child labour and access to fresh water as well as a number of industry sector policies shall be considered in the credit granting process and are also used 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 in the Annual Report.

Limits and monitoring

In order to manage the credit risk for each individual customer or customer group, a limit is established, reflecting the maximum exposure that SEB is willing to accept on the customer. Limits are also established for total exposure in geographies with higher risk classes, certain customer segments and for settlement risks in trading operations.

SEB continuously reviews the quality of its credit exposures. All total 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 (risk classes 13–16) are subject to more frequent reviews, including analysis of performance, outlook and debt service capacity. The objective is to identify, at an early stage, credit exposures with an elevated risk of loss to SEB, and to work together with the customer towards a constructive solution that enables the customer to meet its financial obligations and SEB to reduce or limit credit losses. In its core markets, SEB maintains local restructuring teams that are engaged in problem exposures. These are supported by a restructuring function on group level with overall responsibility for managing problem exposures.

Allowances are made for expected credit losses of financial assets in scope for the accounting standard IFRS9 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 assets.

→ For a description of the methodology and assumptions made to estimate the expected credit losses, please see note 1 and note 18 in the Annual Report.

Loans where the contractual terms have been amended in favour of the customer due to the customer's financial difficulties are referred to as forborne loans. Forbearance measures range from amortisation holidays (the most common measure) to refinancing with new terms and debt forgiveness. If changes in contractual terms are significant, the loan is also considered impaired. Both forbearance measures and the classification of the loan as being forborne require approval by the relevant credit approval body.

Credit portfolio analysis and stress tests

The risk organisation regularly reviews and assesses the aggregated credit portfolio and its asset quality based on industry, geography, risk class, product type, size and other parameters.

Thorough analyses are made on risk concentrations in geographic and industry sectors as well as towards large customers, both in respect of direct and indirect exposures and in the form of collateral, guarantees and credit derivative protection. The analysis of the credit risk profile is presented on a quarterly basis to the GRC, the RCC and to the Board of Directors.

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 (ICAAP). Specific analyses and stress tests of certain sectors or sub-portfolios are performed as required. These portfolio reviews are presented to the GRC and to the Board's RCC.

Table 2. EU CR1 – Performing and non-performing exposures and related provisions

SEK m		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
31 Dec 2021			*Of which stage 1*	*Of which stage 2*		*Of which stage 2*	*Of which stage 3*		*Of which stage 1*	*Of which stage 2*		*Of which stage 2*	*Of which stage 3*	Accumulated partial write-off	On performing exposures	On non-performing exposures
005	Cash balances at central banks and other demand deposits	446,792	*444,426*	*2,366*	1	*0*	*0*	0	*0*	*0*						
010	Loans and advances	1,831,219	*1,767,423*	*61,337*	10,591	*765*	*9,826*	2,367	*983*	*1,384*	5,779	*72*	*5,707*		1,284,799	3,531
020	*Central banks*	*583*	*583*	*0*				*0*	*0*	*0*						
030	*General governments*	*16,870*	*16,637*	*233*	*2*	*1*	*1*	*4*	*1*	*3*	*1*	*0*	*1*		*7,463*	*1*
040	*Credit institutions*	*53,433*	*51,350*	*2,083*	*5*	*0*	*5*	*3*	*1*	*1*	*1*	*0*	*1*		*5,973*	*0*
050	*Other financial corporations*	*119,585*	*118,590*	*995*	*273*	*0*	*272*	*60*	*54*	*6*	*138*	*0*	*138*		*31,215*	*378*
060	*Non-financial corporations*	*937,537*	*900,762*	*34,316*	*8,318*	*583*	*7,735*	*1,631*	*636*	*995*	*4,799*	*59*	*4,740*		*569,877*	*2,423*
070	*Of which SMEs*	*328,622*	*315,292*	*13,330*	*1,026*	*102*	*924*	*445*	*236*	*209*	*361*	*24*	*337*		*296,083*	*478*
080	*Households*	*703,210*	*679,502*	*23,709*	*1,994*	*181*	*1,813*	*669*	*290*	*378*	*840*	*13*	*827*		*670,272*	*729*
090	Debt securities	139,370	*9,744*					1	*1*	*0*						
100	*Central banks*	*49,414*						*0*		*0*						
110	*General governments*	*26,026*														
120	*Credit institutions*	*50,402*														
130	*Other financial corporations*	*12,547*	*8,873*					*0*	*0*							
140	*Non-financial corporations*	*981*	*871*					*0*	*0*							
150	Off-balance-sheet exposures	866,697	*850,845*	*15,749*	294	*124*	*170*	565	*375*	*191*	75	*8*	*67*		150,569	35
160	*Central banks*	*4*	*4*					*0*	*0*							
170	*General governments*	*23,114*	*23,103*	*11*	*0*		*0*	*1*	*0*	*0*	*0*		*0*		*2,715*	
180	*Credit institutions*	*21,976*	*19,443*	*2,533*	*110*	*110*		*4*	*0*	*4*	*0*	*0*			*1,474*	
190	*Other financial corporations*	*64,914*	*64,818*	*95*	*28*		*28*	*4*	*4*	*0*	*16*		*16*		*10,531*	*10*
200	*Non-financial corporations*	*659,471*	*650,070*	*9,299*	*139*	*12*	*127*	*488*	*333*	*155*	*54*	*8*	*46*		*130,261*	*21*
210	*Households*	*97,218*	*93,407*	*3,811*	*16*	*2*	*15*	*69*	*38*	*31*	*5*	*0*	*5*		*5,588*	*3*
220	**TOTAL**	**3,284,078**	***3,072,438***	***79,452***	**10,885**	***889***	***9,996***	**2,933**	***1,358***	***1,574***	**5,854**	***80***	***5,774***		**1,435,369**	**3,565**

Table 2. EU CR1 – Performing and non-performing exposures and related provisions

SEK m		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
30 Jun 2021			*Of which stage 1*	*Of which stage 2*		*Of which stage 2*	*Of which stage 3*		*Of which stage 1*	*Of which stage 2*		*Of which stage 2*	*Of which stage 3*	Accumu-lated partial write-off	On performing exposures	On non-performing exposures
005	Cash balances at central banks and other demand deposits	471,693	*471,693*													
010	Loans and advances	1,763,340	*1,705,520*	*56,518*	13,101	*968*	*12,132*	2,187	*915*	*1,272*	7,041	*202*	*6,838*		1,241,172	5,503
020	*Central banks*	*1,696*	*1,695*	*0*				*2*	*2*	*0*						
030	*General governments*	*16,812*	*16,712*	*100*	*1*	*0*	*1*	*3*	*1*	*2*	*1*		*1*		*7,774*	*0*
040	*Credit institutions*	*69,102*	*68,474*	*627*	*18*	*9*	*8*	*2*	*1*	*1*	*2*	*0*	*2*		*5,261*	*0*
050	*Other financial corporations*	*108,687*	*107,815*	*872*	*231*	*41*	*191*	*45*	*39*	*6*	*135*	*0*	*135*		*26,452*	*41*
060	*Non-financial corporations*	*888,820*	*855,744*	*31,775*	*10,683*	*736*	*9,948*	*1,488*	*586*	*902*	*5,931*	*189*	*5,742*		*555,458*	*4,683*
070	*Of which SMEs*	*322,425*	*309,221*	*13,523*	*1,575*	*144*	*1,431*	*491*	*253*	*238*	*549*	*29*	*520*		*287,516*	*810*
080	*Households*	*678,223*	*655,080*	*23,143*	*2,167*	*182*	*1,985*	*647*	*286*	*361*	*972*	*14*	*958*		*646,226*	*778*
090	Debt securities	197,195	*9,743*					0	*0*							
100	*Central banks*	*96,224*	*2*													
110	*General governments*	*28,114*	*522*					*0*	*0*							
120	*Credit institutions*	*57,486*														
130	*Other financial corporations*	*14,876*	*9,218*					*0*	*0*							
140	*Non-financial corporations*	*494*														
150	Off-balance-sheet exposures	786,483	*769,730*	*16,682*	1,211	*22*	*1,188*	424	*241*	*183*	171	*0*	*171*		149,307	1,323
160	*Central banks*	*4*	*4*					*0*	*0*							
170	*General governments*	*25,231*	*25,220*	*11*	*0*		*0*	*1*	*1*	*0*	*0*		*0*		*3,309*	
180	*Credit institutions*	*21,635*	*20,133*	*1,502*	*12*	*12*		*4*	*1*	*3*	*0*	*0*			*1,467*	*2*
190	*Other financial corporations*	*57,454*	*56,989*	*464*	*31*		*31*	*6*	*6*	*0*	*16*		*16*		*10,712*	
200	*Non-financial corporations*	*565,243*	*554,337*	*10,835*	*1,152*	*10*	*1,142*	*341*	*193*	*148*	*149*	*0*	*149*		*126,925*	*1,317*
210	*Households*	*116,915*	*113,046*	*3,869*	*16*	*0*	*15*	*72*	*41*	*30*	*6*	*0*	*6*		*6,894*	*4*
220	**TOTAL**	**2,747,018**	***2,484,993***	***73,200***	**14,311**	***991***	***13,320***	**2,611**	***1,156***	***1,455***	**7,212**	***203***	***7,010***		**1,390,479**	**6,826**

Table 3. EU CR1-A – Maturity of exposures

SEK m		a	b	c	d	e	f
		Net exposure value					
31 Dec 2021		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	135,428	86,577	704,879	914,927		**1,841,811**
2	Debt securities	72,629	8,943	46,448	11,350		**139,370**
3	**Total**	**208,057**	**95,520**	**751,327**	**926,277**		**1,981,181**

		a	b	c	d	e	f
		Net exposure value					
30 Jun 2021		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	105,838	87,751	655,758	927,094		**1,776,441**
2	Debt securities	106,948	24,144	10,482	55,621		**197,195**
3	**Total**	**212,786**	**111,895**	**666,240**	**982,715**		**1,973,636**

Table 4. EU CQ1 – Credit quality of forborne exposures

SEK m	a	b	c	d	e	f	g	h
	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Non-performing forborne						
31 Dec 2021	Performing forborne		*Of which defaulted*	*Of which impaired*	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
005 Cash balances at central banks and other demand deposits								
010 Loans and advances	3,988	7,551	*6,891*	*6,944*	421	4,407	6,562	4,356
020 *Central banks*								
030 *General governments*	*0*				*0*			
040 *Credit institutions*								
050 *Other financial corporations*	*130*	*189*	*189*	*189*	*1*	*136*	*130*	
060 *Non-financial corporations*	*3,319*	*7,078*	*6,473*	*6,526*	*406*	*4,170*	*5,780*	*4,190*
070 *Households*	*539*	*284*	*229*	*229*	*15*	*101*	*651*	*166*
080 Debt Securities								
090 Loan commitments given	157	0			9	7	135	0
100 TOTAL	**4,145**	**7,551**	***6,891***	***6,944***	**430**	**4,414**	**6,426**	**4,356**

SEK m	a	b	c	d	e	f	g	h
	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Non-performing forborne						
30 Jun 2021	Performing forborne		*Of which defaulted*	*Of which impaired*	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
005 Cash balances at central banks and other demand deposits								
010 Loans and advances	2,293	9,896	*9,032*	*9,083*	101	5,608	6,346	4,364
020 *Central banks*								
030 *General governments*	*0*				*0*			
040 *Credit institutions*								
050 *Other financial corporations*	*129*	*187*	*187*	*187*	*1*	*134*	*129*	
060 *Non-financial corporations*	*1,648*	*9,372*	*8,599*	*8,651*	*84*	*5,361*	*5,554*	*4,161*
070 *Households*	*516*	*338*	*246*	*245*	*17*	*113*	*663*	*204*
080 Debt Securities								
090 Loan commitments given	141	101	*101*	*101*	5	19	136	89
100 TOTAL	**2,434**	**9,998**	***9,133***	***9,184***	**106**	**5,627**	**6,211**	**4,275**

COMMENT

- *Forborne credit exposures are exposures where the contractual terms have been amended in favour of the customer due to financial difficulties. Forbearance measures range from amortisation holidays (the most common measure) to refinancing with new terms and debt forgiveness.*
- *Total performing and non-performing forborne exposures decreased to SEK 11.7bn (12.4).*

Table 5. EU CQ3 – Credit quality of performing and non-performing exposures by past due days

SEK m		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
31 Dec 2021			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005	Cash balances at central banks and other demand deposits	446,792	446,791	1	1	0	0	0					
010	Loans and advances	1,831,219	1,830,046	1,173	10,591	7,714	1,178	757	221	318	317	85	9,536
020	*Central banks*	*583*	*583*										
030	*General governments*	*16,870*	*16,870*	*1*	*2*	*1*	*1*	*0*					*0*
040	*Credit institutions*	*53,433*	*53,263*	*171*	*5*	*3*	*0*	*1*	*0*		*0*	*1*	
050	*Other financial corporations*	*119,585*	*119,546*	*39*	*273*	*271*	*0*	*1*	*0*	*0*	*0*	*0*	*191*
060	*Non-financial corporations*	*937,537*	*937,324*	*213*	*8,318*	*6,320*	*1,006*	*619*	*64*	*107*	*167*	*34*	*7,565*
070	*Of which SMEs*	*328,622*	*328,573*	*49*	*1,026*	*872*	*20*	*29*	*43*	*41*	*11*	*10*	*827*
080	*Households*	*703,210*	*702,461*	*749*	*1,994*	*1,119*	*172*	*136*	*156*	*211*	*149*	*50*	*1,780*
090	Debt securities	139,370	139,370										
100	*Central banks*	*49,414*	*49,414*										
110	*General governments*	*26,026*	*26,026*										
120	*Credit institutions*	*50,402*	*50,402*										
130	*Other financial corporations*	*12,547*	*12,547*										
140	*Non-financial corporations*	*981*	*981*										
150	Off-balance-sheet exposures	866,697			294								163
160	*Central banks*	*4*											
170	*General governments*	*23,114*			*0*								
180	*Credit institutions*	*21,976*			*110*								
190	*Other financial corporations*	*64,914*			*28*								*28*
200	*Non-financial corporations*	*659,471*			*139*								*121*
210	*Households*	*97,218*			*16*								*13*
220	**TOTAL**	**3,284,078**	**2,416,208**	**1,173**	**10,885**	**7,714**	**1,179**	**757**	**221**	**318**	**317**	**85**	**9,699**

SEK m		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
31 Dec 2020			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005	Cash balances at central banks and other demand deposits	328,584	328,584	0	0	0	0	0	0				
010	Loans and advances	1,703,193	1,702,158	1,035	16,169	12,988	592	737	837	443	526	47	14,853
020	*Central banks*	*535*	*535*										
030	*General governments*	*15,514*	*15,507*	*7*	*1*		*0*	*0*	*1*				*1*
040	*Credit institutions*	*39,141*	*39,074*	*67*	*22*	*5*	*15*	*2*	*0*	*0*	*0*	*1*	
050	*Other financial corporations*	*93,165*	*93,120*	*44*	*459*	*235*	*0*	*223*	*0*	*0*	*0*	*0*	*407*
060	*Non-financial corporations*	*899,134*	*898,924*	*210*	*13,345*	*11,554*	*371*	*300*	*582*	*204*	*334*	*0*	*12,296*
070	*Of which SMEs*	*309,511*	*309,456*	*55*	*1,866*	*1,231*	*23*	*43*	*149*	*192*	*228*	*0*	*1,707*
080	*Households*	*655,704*	*654,998*	*706*	*2,342*	*1,194*	*205*	*212*	*255*	*239*	*191*	*46*	*2,150*
090	Debt securities	138,122	138,122										
100	*Central banks*	*27,667*	*27,667*										
110	*General governments*	*32,622*	*32,622*										
120	*Credit institutions*	*61,713*	*61,713*										
130	*Other financial corporations*	*15,643*	*15,643*										
140	*Non-financial corporations*	*476*	*476*										
150	Off-balance-sheet exposures	776,787			768								691
160	*Central banks*	*4*											
170	*General governments*	*22,447*			*0*								
180	*Credit institutions*	*22,073*			*39*								
190	*Other financial corporations*	*53,118*			*30*								*30*
200	*Non-financial corporations*	*582,533*			*679*								*642*
210	*Households*	*96,611*			*19*								*18*
220	**TOTAL**	**2,946,685**	**2,168,863**	**1,035**	**16,937**	**12,988**	**592**	**737**	**837**	**443**	**526**	**47**	**15,543**

Table 6. EU CQ4 – Quality of non-performing exposures by geography

SEK m		a	b	c	d	e	f	g
		Gross carrying amount/nominal amount						
			of which: non-performing					
31 Dec 2021				*of which: defaulted*	*of which: subject to impairment*	Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
010	**On balance sheet exposures**	**1,981,180**		***9,536***		**8,146**		
020	Sweden	1,227,579		*1,346*		1,686		
030	Denmark	61,539		*630*		431		
040	Norway	62,084		*285*		594		
050	Finland	79,737		*931*		637		
060	Estonia	62,791		*275*		261		
	Latvia	35,243		*265*		252		
	Lithuania	72,236		*680*		455		
	Germany	70,106		*1,284*		932		
	United Kingdom	53,250		*10*		70		
070	Other countries	256,614		*3,829*		2,828		
080	**Off balance sheet exposures**	**866,991**		*163*			**640**	
090	Sweden	350,121		*14*			232	
100	Denmark	74,576		*6*			26	
110	Norway	78,385		*17*			157	
120	Finland	49,075		*0*			16	
130	Estonia	11,739		*1*			17	
	Latvia	7,669		*3*			32	
	Lithuania	15,336		*0*			17	
	Germany	93,762		*115*			70	
	United Kingdom	45,667		*0*			14	
140	Other countries	140,662		*8*			60	
150	**Total**	**2,848,171**		***9,699***		**8,146**	**640**	

SEK m		a	b	c	d	e	f	g
		Gross carrying amount/nominal amount						
			of which: non-performing					
30 Jun 2021				*of which: defaulted*	*of which: subject to impairment*	Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
010	**On balance sheet exposures**	**1,973,636**		***12,028***		**9,228**		
020	Sweden	1,221,530		*1,486*		1,833		
030	Denmark	68,625		*458*		368		
040	Norway	75,449		*1,561*		1,315		
050	Finland	74,102		*913*		612		
060	Estonia	60,992		*382*		297		
	Latvia	34,603		*844*		319		
	Lithuania	67,242		*837*		477		
	Germany	74,153		*1,260*		931		
	United Kingdom	55,957		*18*		53		
070	Other countries	240,983		*4,269*		3,023		
080	**Off balance sheet exposures**	**787,693**		*1,174*			**595**	
090	Sweden	327,096		*17*			226	
100	Denmark	53,080		*8*			23	
110	Norway	66,508		*46*			71	
120	Finland	50,919		*0*			13	
130	Estonia	10,591		*1*			15	
	Latvia	6,656		*114*			33	
	Lithuania	15,679		*1*			19	
	Germany	79,420		*113*			70	
	United Kingdom	51,872		*12*			12	
140	Other countries	125,874		*861*			113	
150	**Total**	**2,761,329**		***13,202***		**9,228**	**595**	

COMMENT

- *The NPL ratio in SEB is below 5 per cent. According to the CRR, the columns "of which non-performing" and "of which subject to impairment" in EU CQ4 are applicable to institutions with a threshold ratio on non-performing loans and advances (NPL ratio) of 5 per cent or above.*

Table 7. EU CQ5 – Credit quality of loans and advances to non-financial corporations by industry

SEK m	a	b	c	d	e	f
	Gross carrying amount/nominal amount					
		of which: non-performing		of which: loans and advances subject to impairment		
31 Dec 2021			of which: defaulted		Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
010 Agriculture, forestry and fishing	14,065		*69*		50	
020 Mining and quarrying	14,718		*2,176*		1,904	
030 Manufacturing	92,380		*1,440*		1,223	
040 Electricity, gas, steam and air conditioning supply	54,769		*180*		134	
050 Water supply	4,223		*8*		11	
060 Construction	11,366		*106*		155	
070 Wholesale and retail trade	80,151		*189*		211	
080 Transport and storage	79,647		*1,656*		1,147	
090 Accommodation and food service activities	5,744		*17*		68	
100 Information and communication	28,181		*42*		57	
110 Real estate activities	342,235		*195*		182	
120 Financial and insurance actvities	125,707		*198*		260	
130 Professional, scientific and technical activities	46,547		*24*		107	
140 Administrative and support service activities	12,863		*373*		278	
150 Public administration and defense, compulsory social security	1,031				1	
160 Education	3,366		*1*		7	
170 Human health services and social work activities	10,038		*24*		60	
180 Arts, entertainment and recreation	2,280		*3*		13	
190 Other services	16,545		*865*		563	
200 **Total**	**945,855**		***7,565***		**6,430**	

SEK m	a	b	c	d	e	f
	Gross carrying amount/nominal amount					
		of which: non-performing		of which: loans and advances subject to impairment		
30 Jun 2021			of which: defaulted		Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
010 Agriculture, forestry and fishing	13,028		*95*		48	
020 Mining and quarrying	23,187		*4,206*		3,192	
030 Manufacturing	87,727		*1,777*		1,310	
040 Electricity, gas, steam and air conditioning supply	47,224		*181*		120	
050 Water supply	3,638		*1*		8	
060 Construction	11,333		*126*		133	
070 Wholesale and retail trade	72,070		*179*		196	
080 Transport and storage	78,295		*1,290*		815	
090 Accommodation and food service activities	5,973		*22*		81	
100 Information and communication	24,973		*38*		56	
110 Real estate activities	337,604		*459*		253	
120 Financial and insurance actvities	104,642		*180*		196	
130 Professional, scientific and technical activities	42,083		*28*		123	
140 Administrative and support service activities	15,696		*377*		263	
150 Public administration and defense, compulsory social security	2,576				2	
160 Education	3,012		*1*		7	
170 Human health services and social work activities	10,093		*36*		68	
180 Arts, entertainment and recreation	2,669		*1*		13	
190 Other services	13,680		*853*		535	
200 **Total**	**899,503**		***9,851***		**7,419**	

COMMENT

- *The NPL ratio in SEB is below 5 per cent. According to the CRR, the columns "of which non-performing" and "of which loans and advances subject to impairment" in EU CQ5 are applicable to institutions with a threshold ratio on non-performing loans and advances (NPL ratio) of 5 per cent or above.*

Table 8. EU CQ7 – Collateral obtained by taking possession and execution processes

SEK m	a	b	a	b
	31 Dec 2021		30 Jun 2021	
	Collateral obtained by taking possession		Collateral obtained by taking possession	
	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
1 Property, plant and equipment (PP&E)				
2 Other than Property Plant and Equipment	195	0	12	5
3 *Residential immovable property*	*0*		*1*	*0*
4 *Commercial Immovable property*	*25*	*0*	*10*	*4*
5 *Movable property (auto, shipping, etc.)*			*0*	
6 *Equity and debt instruments*	*170*	*0*	*0*	
7 *Other*	*0*		*0*	
8 **TOTAL**	**195**	**0**	**12**	**5**

Table 9. Information on loans and advances subject to legislative and non-legislative moratoria

SEK m	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk							Gross carrying amount
		Performing			Non performing				Performing			Non performing			
31 Dec 2021			*Of which: exposures with forbearance measures*	*Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)*		*Of which: exposures with forbearance measures*	*Of which: Unlikely to pay that are not past-due or past-due <= 90 days*			*Of which: exposures with forbearance measures*	*Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)*		*Of which: exposures with forbearance measures*	*Of which: Unlikely to pay that are not past-due or past-due <= 90 days*	Inflows to non-performing exposures
1 **Loans and advances subject to moratorium**															
2 of which: Households															
3 *of which: Collateralised by residential immovable property*															
4 of which: Non-financial corporations															
5 *of which: Small and Medium-sized Enterprises*															
6 *of which: Collateralised by commercial immovable property*															

SEK m	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk							Gross carrying amount
		Performing			Non performing				Performing			Non performing			
30 Jun 2021			*Of which: exposures with forbearance measures*	*Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)*		*Of which: exposures with forbearance measures*	*Of which: Unlikely to pay that are not past-due or past-due <= 90 days*			*Of which: exposures with forbearance measures*	*Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)*		*Of which: exposures with forbearance measures*	*Of which: Unlikely to pay that are not past-due or past-due <= 90 days*	Inflows to non-performing exposures
1 **Loans and advances subject to moratorium**	**68,504**	**68,484**	***2***	***2,296***	**20**	***1***	***6***	**−84**	**−68**	***0***	***−52***	**−15**	***0***	***0***	**0**
2 of which: Households	68,504	68,484	*2*	*2,296*	20	*1*	*6*	−84	−68	*0*	*−52*	−15	*0*	*0*	0
3 *of which: Collateralised by residential immovable property*	*67,997*	*67,976*	*2*	*2,247*	*20*	*1*	*6*	*−83*	*−68*	*0*	*−52*	*−15*	*0*	*0*	*0*
4 of which: Non-financial corporations															
5 *of which: Small and Medium-sized Enterprises*															
6 *of which: Collateralised by commercial immovable property*															

COMMENT

- *Following the pandemic, authorities have enabled measures to support corporates and private individuals, including amortisation exemptions on household mortgages. As at August 2021, the Swedish FSA terminated the amortisation exemptions on household mortgages in Sweden why there is no exposure subject to moratoria at year-end. As at 2022, the Swedish FSA does not require reporting according to tables 9–11.*

Table 10. Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria

SEK m	a	b	c	d	e	f	g	h	i
		Gross carrying amount							
					Residual maturity of moratoria				
31 Dec 2021	Number of obligors		*Of which: legislative moratoria*	*Of which: expired*	<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year
1 **Loans and advances for which moratorium was offered**	**34,321**	**69,176**							
2 **Loans and advances subject to moratorium (granted)**	**33,729**	**67,840**	**19**	**67,840**					
3 of which: Households		67,183	19	67,183					
4 *of which: Collateralised by residential immovable property*		*66,629*		*66,629*					
5 of which: Non-financial corporations		656		656					
6 *of which: Small and Medium-sized Enterprises*		*634*		*634*					
7 *of which: Collateralised by commercial immovable property*		*465*		*465*					

SEK m	a	b	c	d	e	f	g	h	i
		Gross carrying amount							
					Residual maturity of moratoria				
30 Jun 2021	Number of obligors		*Of which: legislative moratoria*	*Of which: expired*	<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year
1 **Loans and advances for which moratorium was offered**	**36,021**	**73,692**							
2 **Loans and advances subject to moratorium (granted)**	**35,408**	**72,299**	**21**	**3,795**	**68,504**				
3 of which: Households		71,461	21	2,957	68,504				
4 *of which: Collateralised by residential immovable property*		*70,823*		*2,826*	*67,997*				
5 of which: Non-financial corporations		838		838					
6 *of which: Small and Medium-sized Enterprises*		*814*		*814*					
7 *of which: Collateralised by commercial immovable property*		*584*		*584*					

Table 11. Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to the Covid-19 crisis

SEK m	a	b	c	d
	Gross carrying amount		Maximum amount of the guarantee that can be considered	Gross carrying amount
31 Dec 2021		*of which: forborne*	Public guarantees received	Inflows to non-performing exposures
1 **Newly originated loans and advances subject to public guarantee schemes**	**262**	*199*	**219**	
2 of which: Households				
3 *of which: Collateralised by residential immovable property*				
4 of which: Non-financial corporations	262	*199*	219	
5 *of which: Small and Medium-sized Enterprises*	*129*			
6 *of which: Collateralised by commercial immovable property*	*31*			

SEK m	a	b	c	d
	Gross carrying amount		Maximum amount of the guarantee that can be considered	Gross carrying amount
30 Jun 2021		*of which: forborne*	Public guarantees received	Inflows to non-performing exposures
1 **Newly originated loans and advances subject to public guarantee schemes**	**271**	*207*	**167**	
2 of which: Households				
3 *of which: Collateralised by residential immovable property*				
4 of which: Non-financial corporations	271	*207*	167	
5 *of which: Small and Medium-sized Enterprises*	*139*			
6 *of which: Collateralised by commercial immovable property*	*23*			

Credit risk mitigation and collateral

Depending on the creditworthiness of the customer, as well as the nature and complexity of the transaction, collateral and netting agreements can be used to a varying extent to mitigate the credit risk. In the selection of a particular credit risk mitigation technique, consideration is given to its suitability for the product and customer in question, its legal enforceability, and on the experience and capacity to manage and control the particular technique. The most important credit risk mitigation techniques are 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 commonly mitigated through the use of restrictive covenants in the credit agreements, including negative pledges. Independent and professional credit analysis is particularly important for this customer segment.

Banks, securities firms and insurance companies are typically counterparties in more sophisticated risk mitigation transactions, such as credit derivatives. SEB's credit policy requires the credit derivative counterparty to be of high credit quality. Closeout netting agreements are widely used for derivative, repo and securities lending transactions (while on-balance sheet netting is a less frequent practice).

→ See also the section Counterparty Credit Risk on page 35.

All non-retail collateral values are reviewed at least annually by the relevant credit committees. Collateral values for watch-listed engagements are reviewed on a more frequent basis. The general rule is that the value of the collateral shall be calculated on the basis of the estimated market value of the asset with a conservative discount. The market value shall be documented by an independent external valuation or, when applicable, by a well justified internal estimate.

The general control process for various credit risk mitigation techniques includes credit review and approval requirements, specific credit product policies and credit risk monitoring and control. The value of both the exposure and the mitigating collateral are monitored on a regular basis. The frequency depends on the type of counterparty, the structure of the transaction and the type of collateral. The control process does differ among instruments and business units. For example, within the Large Corporates & Financial Institutions (LC&FI) division, there is a collateral management unit responsible for the daily collateralisation of exposures in trading products, i.e., foreign exchange and derivatives contracts, repos and securities lending transactions.

Table 12. EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

SEK m		a	b	c	d	e
31 Dec 2021		Exposures unsecured – Carrying amount	Exposures secured – Carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans and advances	1,000,272	1,288,330	1,170,864	117,466	
2	Debt securities	139,370				
3	**Total**	**1,139,643**	**1,288,330**	**1,170,864**	**117,466**	
4	*Of which non-performing exposures*	*7,060*	*3,531*	*3,324*	*207*	
EU-5	*Of which defaulted*					

SEK m		a	b	c	d	e
30 Jun 2021		Exposures unsecured – Carrying amount	Exposures secured – Carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans and advances	1,001,459	1,246,674	1,137,699	108,975	
2	Debt securities	197,195				
3	**Total**	**1,198,655**	**1,246,674**	**1,137,699**	**108,975**	
4	*Of which non-performing exposures*	*7,598*	*5,503*	*4,097*	*1,406*	
EU-5	*Of which defaulted*					

COMMENT

- *Loans and advances include cash balances at central banks and other demand deposits.*

Measurement of credit risk

Internal risk classification system

SEB's non-retail risk classification system is a central part of SEB's credit risk assessment of corporates, real estate management, financial institutions and specialised lending (Basel non-retail).

SEB's risk classification system is based on both qualitative and quantitative risk analysis and assesses the counterparty's financial risk and business risk profile, including environmental, social and governance aspects. Understanding repayment capacity by combining financial analysis and an assessment of ownership and management, and thorough knowledge of the customer's business model are key components of SEB's credit culture. In the risk classification, the obligor's risk profile is assessed both statistically and taking into account expert knowledge. Financial ratios, peer group comparison and scoring tools, external rating information and through-the-cycle analysis are used to enhance the risk assessment of the obligors. The result of the risk classification is reviewed by SEB's credit approval bodies in conjunction with review of the obligor and facilities in each credit application. On a yearly basis, the components of the risk classification system are reviewed and validated from a quantitative and qualitative perspective, including a use test.

Scoring systems

For the Basel retail segment, consisting of mainly mortgages and other retail exposures (private individuals and small businesses), SEB uses credit scoring systems when granting a credit and for estimating the probability of default for the customer. The customer is allocated to a PD pool of customers with similar PD. The most important factors of the credit scoring systems are measures of payment behaviour based on internal data for existing customers. New customers without a history in the group are scored using publicly available information and well tested risk indicators. SEB uses local, customised credit scoring models for different regions and product segments, as both data accessibility and customer characteristics normally vary by country and product.

The risk classes provided by SEB's Risk Class Assignment (RCA) system and credit scoring systems are directly used in every credit risk decision as well as in the following areas:

1. setting of delegated credit approval limits
2. defining credit policy boundaries
3. credit portfolio monitoring and management
4. credit loss forecasting and provisioning
5. as an input to credit facility pricing
6. as an input to calculation of SEB's economic capital
7. as an input to calculation of SEB's risk-weighted exposure amount and regulatory capital.

Credit risk estimation

Credit risk is calculated for all assets, both in the banking book and the trading book. The methodology for calculating capital requirements and expected loss using the IRB approach addresses risk parameters including *Probability of Default* (PD), *Exposure at Default* (EAD), *Maturity* (M) and *Loss Given Default* (LGD). For portfolios that are approved for IRB Advanced modelling, the LGD and *Credit Conversion Factor* (CCF) are also modelled on both internal and external data.

Probability of Default

The Probability of Default (PD), or the risk that a counterparty defaults on its payment obligations, is measured through SEB's risk classification system and credit scoring systems.

For all non-retail portfolios, SEB has developed an internal risk classification system to assess the risk of default on payment obligations (PD).

The risk classification system includes specific rating tools and PD scales for significant segments e.g. large corporates, real estate management, and small and medium-sized enterprises (SMEs).

This enables a more accurate assessment of each segment based on SEB's internal historical portfolio performance. The segments are measured on a risk class scale of 1–16, including three "watch list" risk classes (13–15) and one risk class for defaulted counterparties (risk class 16). The SME segments are measured on a scale of 12 risk classes and have a separate nomenclature of A1–D2 plus watch list and default. For each segment, SEB makes individual one-year, through-the-cycle PD estimates, which are based on up to 20 years of internal default history, and external data.

The segment-specific rating scales are mapped onto a universal risk class scale covering 24 risk classes, each with different through-the-cycle PD intervals. The risk class scale is shown below by PD interval and an approximate relation to two rating agencies' rating scales. Such relation is based on similarity between the method and the definitions used by SEB and these agencies to rate obligors. The mapping is based on SEB's PD scale and S&P's and Moody's published long-term default history per rating grade, which leads to a reasonable correspondence between SEB's mapping of risk classes onto S&P's and Moody's rating scales.

Table 13. Structure of risk class scale in PD dimension

	Lower PD	Moody's	S&P
Investment grade	0.00%	Aaa	AAA
	0.01%	Aa	AA
	0.02%	Aa	AA
	0.03%	A	A
	0.06%	A	A
	0.08%	A	A
	0.12%	Baa	BBB
	0.17%	Baa	BBB
	0.24%	Baa	BBB
	0.33%	Baa	BBB
Standard monitoring	0.46%	Ba	BB
	0.64%	Ba	BB
	0.89%	Ba	BB
	1.24%	Ba	BB
	1.74%	B	B
	2.43%	B	B
	3.41%	B	B
	5%	B	B
Watch list	7%	B	B
	9%	Caa	CCC
	13%	Caa	CCC
	22%	C	C
	40%	C	C
Default	100%	Default	Default

For the Basel retail segment, the PD values are organised in PD pools of counterparties with similar risk behaviour. All PD pools are adjusted through-the-cycle and show historically differentiated patterns of default, e.g., worse risk class pools display higher default ratios than better risk class pools in both good and bad times, similar to the non-retail RCA system.

Exposure at Default

EAD is measured in nominal terms for loans, bonds and leasing contracts; as a percentage of committed amounts for credit lines, letters of credit, guarantees and other off-balance sheet exposures; and, through current market values plus an amount for possibly increased exposure in the future, net of any eligible collateral, in the case of derivative contracts, repos and securities lending.

Loss Given Default

LGD represents an estimation of loss on an outstanding exposure in case of default and takes into account collateral provided and other loss mitigants. It is based on internal and external historical experience for at least seven years and the specific details of each relevant transaction. LGD estimates for the performing portfolio are set to reflect the conditions in a severe economic downturn, which, for the Nordic portfolios, means that they are adjusted to the early 1990's economic downturn.

Maturity

M is calculated as the effective maturity of every transaction. In the case of simple term loan contracts with bullet repayment, M is the contractual repayment date. For amortising loans, M is shortened to reflect the reducing balance over time.

The risk parameters calculated for regulatory capital reporting are also used for stress testing and forms the foundation for SEB's methodology for credit risk. Here, risk estimates are combined in a portfolio model which also considers risk concentration to industrial and geographic sectors as well as large individual exposures.

As a member of the Global Credit Data Consortium (former PECDC), SEB participates in a data-sharing program where comparison of historical PD, EAD and LGD experience is possible with a large number of global banks. Pooled data is also used for estimating parameters for low default portfolios such as large corporates and banks.

Validation of rating systems

The performance of the risk rating and scoring systems is regularly reviewed according to group instructions. The validation is performed in order to secure that SEB's RCA system is working satisfactorily and that it is used in accordance with external regulations and internal rules and instructions. The validation is performed by a unit within the risk organisation, which is independent of those responsible for risk class assignment of counterparties as well as those developing the models.

Table 14. Exposure by model

SEK bn	A-IRB		
31 Dec 2021	**EAD**	**RWAs**	**Portfolios**
SEB AB (publ)	1,716	300	Retail, corporate & institutions
Baltic subsidiaries	76	11	Retail exposures
Other subsidiaries	43	12	Retail, corporate & institutions
TOTAL	**1,834**	**322**	
	F-IRB		
	EAD	**RWAs**	**Portfolios**
SEB AB (publ)	756	95	Corporate & institutions, Sovereign & municipalities
Baltic subsidiaries	168	64	Corporate & institutions, Sovereign & municipalities
Other subsidiaries	49	7	Corporate & institutions, Sovereign & municipalities
TOTAL	**972**	**166**	
	Standardised		
	EAD	**RWAs**	**Portfolios**
SEB AB (publ)	59	53	Retail, corporate & other
Baltic subsidiaries	12	7	Retail & other
Other subsidiaries	12	11	Retail, corporate & other
TOTAL	**83**	**71**	

IRB approval

SEB was first approved to report legal capital adequacy using the internal ratings-based (IRB) approach for its main non-retail and retail mortgage portfolios in February 2007, when the Basel II framework came into force in Sweden. Since then, a number of portfolios and countries have been added.

For the parent company, SEB operates with an IRB-Advanced approval for all major portfolios and, since June 2017, with an IRB-Foundation approval for the sovereign portfolio. In the Baltic subsidiaries, SEB holds an IRB-Advanced approval for all major retail portfolios and an IRB-Foundation approval for its non-retail portfolio. Following the transition of the majority of the group's German operations to a branch, the IRB-Foundation is used for the group's German branch exposure. As at 31 December 2021, 92 per cent of the credit risk-weighted exposure amount and 98 per cent of the total exposure value was covered by the IRB approach and only a minor number of portfolios, were reported under the standardised method.

Regulatory developments

The European Banking Authority (EBA) has, together with national supervisors, the ambition to reduce the variation in the implementation of internal models for capital adequacy. The EBA's guidelines include definitions and model parameters and prescribe more detailed requirements on decision processes. The EBA has prolonged the date for implementing changes to rating systems (PD) from December 2021 into 2022. In addition, considering the interaction with the revised Basel III framework (also referred to as Basel IV), the EBA allows for changes in LGD and CCFs to be implemented by the end of 2023.

Credit risk exposures under the standardised approach

The standardised approach is used for calculating risk-weighted exposure amounts for a number of minor portfolios, including some smaller sovereign exposures in certain foreign subsidiaries. According to the regulation, either the rating from an export credit agency (such as the Swedish Export Credits Guarantee Board) shall be used, or, where not available, the country rating from eligible credit assessment agencies such as Moody's, S&P, Fitch and DBRS.

Table 15. EU CR4 – Standardised approach – Credit risk exposure and CRM effects

SEK m	a	b	c	d	e	f
	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
31 Dec 2021	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWAs	RWEA density (%)
1 Central governments or central banks	5,025		5,025		949	18.9
6 Institutions	3,603	1	2,426	265	346	12.9
7 Corporates	7,767	3,377	5,908	1,070	6,398	91.7
8 Retail	24,694	3,115	20,322	990	15,277	71.7
9 Secured by mortgages on immovable property	5,995	236	5,995	115	2,016	33.0
10 Exposures in default	35	6	32	4	45	123.4
11 Exposures associated with particularly high risk	563		563		845	150.0
14 Collective investment undertakings	1,905		1,905		1,905	100.0
15 Equity[1)]	15,781		15,781		29,297	185.6
16 Other items[2)]	15,354		15,354		13,862	90.3
17 **TOTAL**	**80,723**	**6,735**	**73,313**	**2,444**	**70,941**	**93.6**

SEK m	a	b	c	d	e	f
	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
30 Jun 2021	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWAs	RWEA density (%)
1 Central governments or central banks	3,686		3,686		602	16.3
6 Institutions	3,735	0	2,309	353	526	19.8
7 Corporates	6,051	3,411	4,564	1,095	5,580	98.6
8 Retail	22,995	2,959	18,799	945	14,108	71.5
9 Secured by mortgages on immovable property	5,839	154	5,839	77	1,954	33.0
10 Exposures in default	40	4	38	4	50	119.9
11 Exposures associated with particularly high risk	814		814		1,221	150.0
14 Collective investment undertakings	1,822		1,822		1,822	100.0
15 Equity[1)]	13,091		13,091		24,856	189.9
16 Other items[2)]	17,019		17,019		14,936	87.8
17 **TOTAL**	**75,093**	**6,528**	**67,981**	**2,473**	**65,656**	**93.2**

1) From 30 June, 2021 investment in insurance business is included in the EU CR4 template. The investment in insurance business is presented on a separate row in the interim report.
2) From 30 June, 2021 deferred tax assets, software assets, paid out pensions which the bank has unrestricted ability to use and significant holdings in financial companies, are included in the EU CR4 template. These other exposures are presented on a separate row as Other exposures in the interim report.

Table 16. EU CR5 – Standardised approach

SEK m	Risk weight											
31 Dec 2021	0%	2%	20%	35%	50%	75%	100%	150%	250%	Others	Total	Of which unrated
1 Central governments or central banks	3,902				349		775				**5,025**	
6 Institutions		1,078	1,609		2		2				**2,691**	2,558
7 Corporates			1		686		6,291				**6,978**	6,952
8 Retail						21,312					**21,312**	21,312
9 Secured by mortgages on immovable property				6,104	6						**6,110**	6,110
10 Exposures in default							20	17			**37**	37
11 Exposures associated with particularly high risk								563			**563**	563
14 Collective investment undertakings							1,905				**1,905**	
15 Equity[1)]							6,770		9,011		**15,781**	15,781
16 Other items[2)]	2,157		165		102		12,020		671	240	**15,354**	15,354
17 **TOTAL**	**6,059**	**1,078**	**1,775**	**6,104**	**1,145**	**21,312**	**27,783**	**580**	**9,682**	**240**	**75,757**	**70,531**

SEK m	Risk weight											
30 Jun 2021	0%	2%	20%	35%	50%	75%	100%	150%	250%	Others	Total	Of which unrated
1 Central governments or central banks	3,051				65		570				**3,686**	
6 Institutions		661	1,988		9		2				**2,661**	2,564
7 Corporates			9		422		5,220	7			**5,659**	5,637
8 Retail						19,744					**19,744**	19,744
9 Secured by mortgages on immovable property				5,906	10						**5,916**	5,916
10 Exposures in default							25	17			**42**	42
11 Exposures associated with particularly high risk								814			**814**	814
14 Collective investment undertakings							1,822				**1,822**	
15 Equity[1)]							5,248		7,843		**13,091**	13,091
16 Other items[2)]	2,500		47		1		13,679		457	335	**17,019**	17,019
17 **TOTAL**	**5,551**	**661**	**2,045**	**5,906**	**509**	**19,744**	**26,565**	**837**	**8,300**	**335**	**70,454**	**64,827**

1) From 30 June 2021, investment in insurance business is included in the EU CR5 template. The investment in insurance business is presented on a separate row in the interim report.
2) From 30 June 2021, deferred tax assets, software assets, paid out pensions which the bank has unrestricted ability to use and significant holdings in financial companies, are included in the EU CR5 template. These other exposures are presented on a separate row as Other exposures in the interim report.

Credit risk exposures under IRB approaches

The following tables show credit risk exposures under IRB approaches excluding counterparty credit risk.

Table 17. EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range

SEK m	a	b	c	d	e	f	g	h	i	j	k	l	m
31 Dec 2021	PD scale	On-balance sheet exposures	Off-balance sheet exposures pre CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
A-IRB Corporates – Other	0.00 to <0.15	119,176	248,453	56	261,202	0.07	2,054	29.7	2.0	35,631	13,6	53	–36
	0.00 to <0.10	*73,575*	*178,081*	*57*	*176,047*	*0.05*	*1,443*	*29.2*	*2.0*	*19,068*	*10,8*	*25*	*–21*
	0.10 to <0.15	*45,601*	*70,372*	*56*	*85,155*	*0.11*	*611*	*30.6*	*2.0*	*16,563*	*19,5*	*28*	*–14*
	0.15 to <0.25	106,180	134,523	57	184,758	0.19	1,812	31.1	2.0	50,559	27,4	109	–67
	0.25 to <0.50	91,140	38,654	56	105,316	0.37	1,635	20.6	1.9	27,129	25,8	81	–70
	0.50 to <0.75	76,103	11,408	59	80,653	0.58	1,163	13.5	2.3	17,129	21,2	63	–71
	0.75 to <2.50	69,639	21,434	55	75,961	1.16	1,369	21.3	2.1	34,857	45,9	195	–163
	0.75 to <1.75	*69,370*	*21,428*	*55*	*75,688*	*1.16*	*1,283*	*21.4*	*2.1*	*34,802*	*46,0*	*195*	*–159*
	1.75 to <2.5	*270*	*6*	*65*	*273*	*1.84*	*86*	*7.3*	*2.7*	*54*	*20,0*	*0*	*–4*
	2.50 to <10.00	16,062	7,685	33	15,054	3.40	3,608	33.4	2.2	15,192	100,9	165	–137
	2.5 to <5	*15,000*	*7,568*	*33*	*14,122*	*3.09*	*3,570*	*33.2*	*2.3*	*13,912*	*98,5*	*137*	*–114*
	5 to <10	*1,062*	*117*	*44*	*932*	*8.00*	*38*	*36.9*	*0.8*	*1,280*	*137,4*	*28*	*–23*
	10.00 to <100.00	3,921	198	62	3,785	18.99	45	24.1	2.0	4,873	128,7	173	–482
	10 to <20	*888*	*30*	*62*	*762*	*11.00*	*22*	*24.0*	*1.4*	*819*	*107,5*	*20*	*–251*
	20 to <30	*3,033*	*168*	*62*	*3,023*	*21.00*	*23*	*24.1*	*2.1*	*4,054*	*134,1*	*153*	*–231*
	30.00 to <100.00												
	100.00(Default)	4,151	20	76	4,100	100.00	35	1.6	1.4	823	20,1	2,651	–2,656
	Sub-total	**486,372**	**462,375**	**56**	**730,828**	**1.04**	**11,721**	**26.0**	**2.0**	**186,193**	**25,5**	**3,489**	**–3,682**
A-IRB Corporates – SME	0.00 to <0.15	22,954	4,419	60	23,597	0.09	1,168	17.6	2.0	1,638	6,9	4	–4
	0.00 to <0.10	*11,428*	*2,719*	*59*	*12,607*	*0.05*	*494*	*16.4*	*2.3*	*588*	*4,7*	*1*	*–2*
	0.10 to <0.15	*11,526*	*1,700*	*61*	*10,989*	*0.13*	*674*	*18.9*	*1.6*	*1,050*	*9,6*	*3*	*–2*
	0.15 to <0.25	24,935	4,268	61	32,579	0.20	3,184	12.6	1.6	2,309	7,1	8	–9
	0.25 to <0.50	57,961	7,059	59	62,182	0.34	6,745	9.4	1.8	4,538	7,3	20	–28
	0.50 to <0.75	57,200	9,097	52	63,290	0.60	5,537	12.1	1.7	8,483	13,4	46	–65
	0.75 to <2.50	46,992	5,634	57	51,364	1.11	5,391	13.2	1.5	9,271	18	78	–72
	0.75 to <1.75	*45,068*	*5,368*	*57*	*49,450*	*1.07*	*4,682*	*13.2*	*1.6*	*8,884*	*18*	*72*	*–58*
	1.75 to <2.5	*1,924*	*267*	*50*	*1,915*	*2.08*	*709*	*14.1*	*1.2*	*386*	*20,2*	*6*	*–13*
	2.50 to <10.00	3,443	2,188	60	4,160	4.12	7,627	20.2	2.1	1,989	47,8	37	–111
	2.5 to <5	*2,557*	*2,083*	*61*	*3,441*	*3.36*	*7,472*	*20.1*	*2.3*	*1,636*	*47,5*	*25*	*–101*
	5 to <10	*886*	*105*	*29*	*720*	*7.75*	*155*	*21.1*	*0.8*	*353*	*49*	*12*	*–11*
	10.00 to <100.00	790	105	56	736	12.59	221	31.0	1.4	736	100	28	–162
	10 to <20	*624*	*75*	*60*	*619*	*11.00*	*124*	*32.4*	*1.5*	*646*	*104,3*	*22*	*–128*
	20 to <30	*166*	*31*	*47*	*117*	*21.01*	*97*	*23.6*	*1.1*	*90*	*77,2*	*6*	*–34*
	30.00 to <100.00												
	100.00(Default)	1,103	9	30	1,047	100.00	194	0.6	1.2	78	7,4	709	–722
	Sub-total	**215,377**	**32,780**	**57**	**238,957**	**1.07**	**30,067**	**12.4**	**1.7**	**29,042**	**12,2**	**929**	**–1,172**
A-IRB Corporates – Specialised lending	0.00 to <0.15	3,052	1,739	62	4,130	0.06	17	18.5	4.1	454	11,0	0	0
	0.00 to <0.10	*2,214*	*216*	*62*	*2,348*	*0.03*	*11*	*20.0*	*5.0*	*255*	*10,9*	*0*	*0*
	0.10 to <0.15	*837*	*1,523*	*62*	*1,782*	*0.11*	*6*	*16.4*	*2.9*	*199*	*11,2*	*0*	*0*
	0.15 to <0.25	2,187	858	59	2,695	0.20	6	21.6	4.4	716	26,6	1	–1
	0.25 to <0.50	7,588	4,739	61	10,476	0.32	26	23.4	4.2	3,208	30,6	8	–5
	0.50 to <0.75	4,403	1,860	62	5,552	0.54	18	26.6	4.1	2,514	45,3	8	–3
	0.75 to <2.50	4,032	1,501	62	4,962	1.03	18	28.0	3.6	3,293	66,4	14	–7
	0.75 to <1.75	*4,032*	*1,501*	*62*	*4,962*	*1.03*	*18*	*28.0*	*3.6*	*3,293*	*66,4*	*14*	*–7*
	1.75 to <2.5												
	2.50 to <10.00	208			208	2.69	14	10.9	2.7	68	32,7	1	0
	2.5 to <5	*208*			*208*	*2.69*	*13*	*10.9*	*2.7*	*68*	*32,7*	*1*	*0*
	5 to <10	*0*			*0*	*8.00*	*1*	*31.0*	*1.0*	*0*	*116,1*	*0*	
	10.00 to <100.00												
	10 to <20												
	20 to <30												
	30.00 to <100.00												
	100.00(Default)	0			0	100.00	2	26.0	1.0	0	325		
	Sub-total	**21,470**	**10,697**	**61**	**28,023**	**0.46**	**101**	**23.9**	**4.1**	**10,254**	**36,6**	**32**	**–16**

Table 17. EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range

SEK m	a	b	c	d	e	f	g	h	i	j	k	l	m
31 Dec 2021	PD scale	On-balance sheet exposures	Off-balance sheet exposures pre CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
A-IRB Institutions	0.00 to <0.15	73,202	42,607	55	88,547	0.06	1,864	39.0	1.5	16,250	18,4	23	−14
	0.00 to <0.10	*65,288*	*32,347*	*53*	*74,466*	*0.03*	*1,656*	*39.3*	*1.5*	*12,758*	*17,1*	*17*	*−13*
	0.10 to <0.15	*7,915*	*10,259*	*60*	*14,081*	*0.11*	*208*	*37.5*	*1.5*	*3,492*	*24,8*	*7*	*−2*
	0.15 to <0.25	12,973	7,441	27	15,186	0.20	2,277	37.2	1.0	4,536	29,9	12	−2
	0.25 to <0.50	2,089	2,296	41	3,029	0.32	343	40.4	1.4	1,581	52,2	5	−1
	0.50 to <0.75	14	6	63	18	0.54	5	34.5	2.0	11	59,4	0	0
	0.75 to <2.50	3,303	2,246	43	4,052	1.03	195	36.8	1.1	3,349	82,6	17	−1
	0.75 to <1.75	*2,735*	*2,018*	*47*	*3,679*	*1.03*	*142*	*34.9*	*1.0*	*2,775*	*75,4*	*13*	*−1*
	1.75 to <2.5	*568*	*228*	*11*	*373*	*0.00*	*53*	*55.9*	*1.1*	*574*	*154*	*4*	*0*
	2.50 to <10.00	1,950	2,108	10	1,629	2.69	157	54.3	0.5	3,443	211,4	58	−1
	2.5 to <5	*594*	*404*	*20*	*542*	*2.69*	*68*	*54.4*	*1.0*	*963*	*177,7*	*11*	*0*
	5 to <10	*1,356*	*1,705*	*8*	*1,087*	*8.00*	*89*	*54.2*	*0.3*	*2,480*	*228,2*	*47*	*−1*
	10.00 to <100.00	403	972	8	327	0.00	157	54.3	0.5	881	269,2	21	−1
	10 to <20	*380*	*889*	*8*	*300*	*0.00*	*91*	*55.6*	*0.5*	*818*	*273*	*19*	*−1*
	20 to <30	*23*	*83*	*8*	*28*	*0.00*	*66*	*39.3*	*0.4*	*63*	*228,3*	*2*	*0*
	30.00 to <100.00												
	100.00(Default)	0				100.00	22	53.3	1.0	2	666,3		
	Sub-total	**93,935**	**57,677**	**48**	**112,789**	**0.46**	**5,020**	**39.0**	**1.4**	**30,051**	**26,6**	**136**	**−20**
A-IRB Retail – Secured by immovable property non-SME	0.00 to <0.15	206,835	5,076	60	209,884	0.09	301,070	6.4	0.0	3,165	1,5	12	−3
	0.00 to <0.10	206,835	5,076	60	209,884	0.09	301,070	6.4	0.0	3,165	1,5	12	−3
	0.10 to <0.15												
	0.15 to <0.25	203,793	9,649	57	209,258	0.16	287,953	9.5	0.0	7,139	3,4	32	−7
	0.25 to <0.50	129,509	27,090	52	143,519	0.30	216,169	15.6	0.0	12,925	9,0	68	−34
	0.50 to <0.75	33,810	6,775	53	37,415	0.66	55,892	14.9	0.0	5,625	15,0	37	−13
	0.75 to <2.50	21,128	2,404	83	23,134	1.31	28,101	15.2	0.0	5,522	23,9	46	−31
	0.75 to <1.75	*20,681*	*2,269*	*82*	*22,552*	*1.29*	*27,198*	*15.1*	*0.0*	*5,284*	*23,4*	*44*	*−27*
	1.75 to <2.5	*448*	*135*	*100*	*582*	*2.00*	*903*	*19.8*	*0.0*	*238*	*40,9*	*2*	*−4*
	2.50 to <10.00	11,819	453	63	12,107	4.34	14,213	12.2	0.0	4,788	39,5	67	−39
	2.5 to <5	*8,614*	*299*	*59*	*8,791*	*3.37*	*10,788*	*11.5*	*0.0*	*2,856*	*32,5*	*34*	*−25*
	5 to <10	*3,205*	*153*	*72*	*3,316*	*6.90*	*3,425*	*14.2*	*0.0*	*1,932*	*58,2*	*33*	*−15*
	10.00 to <100.00	4,859	36	71	4,885	23.24	8,370	10.8	0.0	2,948	60,4	118	−114
	10 to <20	*3,181*	*22*	*72*	*3,197*	*14.42*	*5,661*	*11.0*	*0.0*	*1,933*	*60,5*	*52*	*−62*
	20 to <30	*245*	*0*	*100*	*245*	*20.00*	*720*	*16.9*	*0.0*	*247*	*100,9*	*8*	*−11*
	30.00 to <100.00	*1,433*	*14*	*69*	*1,443*	*43.33*	*1,989*	*9.3*	*0.0*	*768*	*53,3*	*58*	*−41*
	100.00(Default)	770			770	100.00	1,967	16.0	0.0	230	29,8	107	−227
	Sub-total	**612,523**	**51,482**	**55**	**640,973**	**0.61**	**913,735**	**10.5**	**0.0**	**42,343**	**6,6**	**487**	**−469**
A-IRB Retail – Secured by immovable property SME	0.00 to <0.15	799	21	108	822	0.09	831	13.3	0.0	19	2,3	0	0
	0.00 to <0.10	*799*	*21*	*108*	*822*	*0.09*	*831*	*13.3*	*0.0*	*19*	*2,3*	*0*	*0*
	0.10 to <0.15												
	0.15 to <0.25	1,192	23	104	1,216	0.16	992	13.5	0.0	45	3,7	0	0
	0.25 to <0.50	1,881	398	65	2,138	0.32	3,488	13.7	0.0	136	6,4	1	−3
	0.50 to <0.75	522	95	41	560	0.64	842	19.2	0.0	80	14,3	1	−3
	0.75 to <2.50	4,157	201	68	4,290	1.31	6,474	13.1	0.0	691	16,1	8	−8
	0.75 to <1.75	*3,480*	*165*	*74*	*3,597*	*1.13*	*5,838*	*13.1*	*0.0*	*529*	*14,7*	*5*	*−5*
	1.75 to <2.5	*678*	*36*	*45*	*693*	*2.25*	*636*	*13.4*	*0.0*	*162*	*23,4*	*2*	*−3*
	2.50 to <10.00	763	37	62	786	4.87	1,006	13.7	0.0	280	35,6	5	−11
	2.5 to <5	*598*	*27*	*61*	*614*	*4.14*	*715*	*13.5*	*0.0*	*199*	*32,3*	*3*	*−4*
	5 to <<10	*165*	*10*	*66*	*172*	*7.49*	*291*	*14.4*	*0.0*	*81*	*47,4*	*2*	*−7*
	10.00 to <100.00	126	2	83	128	20.07	135	13.6	0.0	72	56,2	4	−2
	10 to <20	*96*	*1*	*90*	*97*	*13.25*	*89*	*13.1*	*0.0*	*52*	*53,4*	*2*	*−1*
	20 to <30	*13*	*1*	*73*	*14*	*28.14*	*11*	*13.8*	*0.0*	*9*	*65,1*	*1*	*−1*
	30.00 to <100.00	*17*	*0*	*99*	*17*	*52.65*	*35*	*16.6*	*0.0*	*11*	*64,8*	*1*	*−1*
	100.00(Default)	78			78	100.00	88	10.8	0.0	51	65,4	4	−7
	Sub-total	**9,518**	**777**	**65**	**10,017**	**2.11**	**13,856**	**13.7**	**0.0**	**1,375**	**13,7**	**23**	**−34**

Table 17. EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range

SEK m	a	b	c	d	e	f	g	h	i	j	k	l	m
31 Dec 2021	PD scale	On-balance sheet exposures	Off-balance sheet exposures pre CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
A-IRB Retail – Other non-SME	0.00 to <0.15	6,235	29,174	81	30,147	0.06	974,088	42.1	0.0	2,418	8,0	9	–21
	0.00 to <0.10	*3,512*	*16,990*	*86*	*18,264*	*0.03*	*636,186*	*34.2*	*0.0*	*681*	*3,7*	*2*	*–8*
	0.10 to <0.15	*2,723*	*12,185*	*75*	*11,883*	*0.10*	*337,902*	*54.3*	*0.0*	*1,737*	*14,6*	*7*	*–14*
	0.15 to <0.25	1,375	2,997	79	4,038	0.17	81,895	47.4	0.0	755	18,7	3	–5
	0.25 to <0.50	3,922	234	91	4,185	0.33	37,706	51.3	0.0	1,285	30,7	7	–13
	0.50 to <0.75	6,134	5,490	73	10,319	0.68	265,988	42.4	0.0	3,887	37,7	29	–34
	0.75 to <2.50	4,624	1,234	59	5,405	1.28	269,740	49.7	0.0	3,163	58,5	34	–42
	0.75 to <1.75	*4,503*	*889*	*50*	*4,995*	*1.22*	*214,052*	*49.4*	*0.0*	*2,868*	*57,4*	*30*	*–37*
	1.75 to <2.5	*122*	*346*	*83*	*410*	*2.00*	*55,688*	*52.8*	*0.0*	*296*	*72,1*	*4*	*–5*
	2.50 to <10.00	4,680	1,136	73	5,605	3.94	92,562	53.2	0.0	4,476	79,9	115	–156
	2.5 to <5	*3,422*	*596*	*68*	*3,913*	*2.69*	*53,366*	*55.1*	*0.0*	*3,123*	*79,8*	*58*	*–62*
	5 to <10	*1,258*	*540*	*78*	*1,691*	*6.86*	*39,196*	*48.8*	*0.0*	*1,353*	*80,0*	*57*	*–93*
	10.00 to <100.00	791	96	71	872	22.55	59,304	51.6	0.0	1,049	120,4	99	–142
	10 to <20	*461*	*78*	*71*	*525*	*15.86*	*10,376*	*52.4*	*0.0*	*581*	*110,7*	*43*	*–55*
	20 to <30	*203*	*4*	*88*	*206*	*27.24*	*3,796*	*52.6*	*0.0*	*286*	*138,7*	*30*	*–65*
	30.00 to <100.00	*128*	*14*	*68*	*140*	*40.71*	*45,132*	*47*	*0.0*	*182*	*129,4*	*26*	*–23*
	100.00(Default)	955	1	82	956	100.00	18,840	52.6	0.0	501	52,4	463	–557
	Sub-total	**28,718**	**40,364**	**79**	**61,526**	**2.52**	**1,800,123**	**45.1**	**0.0**	**17,536**	**28,5**	**760**	**–970**
A-IRB Retail – Other SME	0.00 to <0.15	302	125	98	556	0.05	8,962	89.8	0.0	81	14,6	0	–7
	0.00 to <0.10	*293*	*125*	*98*	*546*	*0.05*	*8,915*	*90.5*	*0.0*	*80*	*14,7*	*0*	*–7*
	0.10 to <0.15	*10*			*10*	*0.13*	*47*	*46.2*	*0.0*	*1*	*11*	*0*	*0*
	0.15 to <0.25	22	38	72	65	0.15	633	48.4	0.0	9	13,1	0	0
	0.25 to <0.50	964	2,913	69	3,063	0.31	17,103	50.7	0.0	761	24,9	5	–13
	0.50 to <0.75	601	188	60	884	0.58	21,386	66.0	0.0	470	53,1	3	–11
	0.75 to <2.50	2,317	2,217	78	4,128	1.42	441,926	49.3	0.0	2,102	50,9	30	–36
	0.75 to <1.75	*1,561*	*1,852*	*78*	*2,995*	*1.15*	*427,377*	*44.6*	*0.0*	*1,208*	*40,3*	*16*	*–19*
	1.75 to <2.5	*756*	*365*	*79*	*1,132*	*2.13*	*14,549*	*61.7*	*0.0*	*894*	*78,9*	*15*	*–17*
	2.50 to <10.00	1,381	627	77	1,955	5.22	20,256	56.2	0.0	1,616	82,7	64	–62
	2.5 to <5	*1,038*	*396*	*78*	*1,362*	*4.04*	*8,290*	*48.3*	*0.0*	*882*	*64,8*	*28*	*–35*
	5 to <10	*342*	*231*	*77*	*593*	*7.93*	*11,966*	*74.5*	*0.0*	*734*	*123,7*	*36*	*–27*
	10.00 to <100.00	298	101	81	396	28.66	9,238	57.1	0.0	494	124,8	68	–21
	10 to <20	*147*	*29*	*83*	*170*	*13.43*	*667*	*45.0*	*0.0*	*122*	*71,9*	*10*	*–5*
	20 to <30	*64*	*3*	*84*	*78*	*23.84*	*991*	*56*	*0.0*	*99*	*126,8*	*10*	*–5*
	30.00 to <100.00	*87*	*68*	*80*	*148*	*48.67*	*7,580*	*71.5*	*0.0*	*272*	*184,4*	*48*	*–11*
	100.00(Default)	125	6	73	129	100.00	733	45.8	0.0	89	68,8	52	–58
	Sub-total	**6,011**	**6,215**	**73**	**11,176**	**3.74**	**520,237**	**54.4**	**0.0**	**5,621**	**50,3**	**223**	**–207**
	TOTAL A-IRB	**1,473,924**	**662,368**	**57**	**1,834,290**	**0.91**	**3,294,860**	**20.3**	**1.2**	**322,414**	**17,6**	**6,079**	**–6,570**

Table 17. **EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range**

SEK m	a	b	c	d	e	f	g	h	i	j	k	l	m
31 Dec 2021	PD scale	On-balance sheet exposures	Off-balance sheet exposures pre CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
F-IRB Central governments and central banks	0.00 to <0.15	570,204	21,381	100	619,574	0.01	1,121	44.8	1.3	17,239	2,8	17	−3
	0.00 to <0.10	*569,707*	*21,381*	*100*	*619,076*	*0.01*	*1,114*	*44.8*	*1.3*	*17,049*	*2,8*	*17*	*−3*
	0.10 to <0.15	*498*			*498*	*0.14*	*7*	*45.0*	*2.5*	*189*	*38,0*	*0*	*0*
	0.15 to <0.25	96	17	75	108	0.19	22	42.1	2.5	46	42,7	0	0
	0.25 to <0.50	178	48	75	174	0.32	35	39.5	2.5	91	52,5	0	0
	0.50 to <0.75												
	0.75 to <2.50	23	1	75	24	1.16	12	41.4	2.5	23	94,7	0	0
	0.75 to <1.75	*23*	*1*	*75*	*24*	*1.16*	*9*	*41.4*	*2.5*	*22*	*94,7*	*0*	*0*
	1.75 to <2.5	*0*			*0*	*1.83*	*3*	*40.0*	*2.5*	*0*	*105,5*	*0*	*0*
	2.50 to <10.00	38			0	4.91	9	45.0	2.5	0	157,1	0	0
	2.5 to <5	*0*			*0*	*4.00*	*2*	*45.0*	*2.5*	*0*	*148,0*	*0*	*0*
	5 to <10	*37*			*0*	*7.88*	*7*	*45.0*	*2.5*	*0*	*187,1*	*0*	*0*
	10.00 to <100.00	5			5	11.03	9	45.0	2.5	10	212,1	0	0
	10 to <20	*5*			*5*	*11.00*	*5*	*45.0*	*2.5*	*10*	*211,9*	*0*	*0*
	20 to <30	*0*			*0*	*21.00*	*4*	*45.0*	*2.5*	*0*	*254,9*	*0*	
	30.00 to <100.00												
	100.00(Default)												
	Sub-total	**570,544**	**21,447**	**100**	**619,885**	**0.01**	**2,602**	**44.8**	**1.3**	**17,409**	**2,8**	**17**	**−4**
F-IRB Corporates – SME	0.00 to <0.15	8,319	1,886	74	9,599	0.09	80	28.2	2.5	1,022	10,6	2	−1
	0.00 to <0.10	*4,329*	*769*	*74*	*4,787*	*0.04*	*33*	*43.5*	*2.5*	*663*	*13,8*	*1*	*0*
	0.10 to <0.15	*3,991*	*1,117*	*74*	*4,812*	*0.13*	*47*	*13.0*	*2.5*	*359*	*7,5*	*1*	*0*
	0.15 to <0.25	2,364	1,849	50	3,288	0.20	619	39.8	2.5	838	25,5	3	−3
	0.25 to <0.50	4,483	2,016	42	5,313	0.37	838	33.4	2.5	1,716	32,3	7	−10
	0.50 to <0.75	9,183	3,177	12	9,553	0.62	799	34.7	2.5	3,945	41,3	20	−25
	0.75 to <2.50	22,769	5,843	59	25,849	1.25	2,155	39.0	2.5	15,723	60,8	126	−70
	0.75 to <1.75	*19,426*	*4,766*	*60*	*22,122*	*1.14*	*1,621*	*39.0*	*2.5*	*13,170*	*59,5*	*98*	*−49*
	1.75 to <2.5	*3,344*	*1,077*	*53*	*3,727*	*1.89*	*534*	*39.0*	*2.5*	*2,552*	*68,5*	*27*	*−21*
	2.50 to <10.00	1,858	643	44	2,045	4.43	464	37.3	2.5	1,628	79,6	34	−50
	2.5 to <5	*1,348*	*577*	*47*	*1,518*	*3.45*	*408*	*37.2*	*2.5*	*1,123*	*74,0*	*19*	*−19*
	5 to <10	*510*	*65*	*23*	*527*	*7.28*	*56*	*37.5*	*2.5*	*504*	*95,8*	*14*	*−31*
	10.00 to <100.00	428	35	36	432	15.24	44	38.1	2.5	546	126,4	24	−24
	10 to <20	*242*	*17*	*43*	*249*	*11.00*	*22*	*41.0*	*2.5*	*312*	*125,6*	*11*	*−9*
	20 to <30	*187*	*19*	*30*	*183*	*21.00*	*22*	*34.1*	*2.5*	*234*	*127,5*	*13*	*−14*
	30.00 to <100.00												
	100.00(Default)	339	5	30	340	100.00	49	41.8	2.5			142	−120
	Sub-total	**49,744**	**15,453**	**47**	**56,421**	**1.62**	**5,048**	**35.9**	**2.5**	**25,418**	**45,1**	**358**	**−302**
F-IRB Corporates – Other	0.00 to <0.15	49,739	66,715	64	90,355	0.07	462	40.8	2.5	19,674	21,8	24	−21
	0.00 to <0.10	*34,192*	*48,802*	*63*	*63,523*	*0.05*	*337*	*42.3*	*2.5*	*11,996*	*18,9*	*13*	*−13*
	0.10 to <0.15	*15,547*	*17,913*	*66*	*26,831*	*0.11*	*125*	*37.3*	*2.5*	*7,679*	*28,6*	*11*	*−8*
	0.15 to <0.25	30,905	34,067	64	53,006	0.18	566	39.3	2.5	20,458	38,6	38	−24
	0.25 to <0.50	27,302	10,579	64	34,017	0.36	662	37.4	2.5	17,149	50,4	46	−37
	0.50 to <0.75	11,930	3,805	50	13,867	0.60	271	37.4	2.5	8,880	64,0	31	−45
	0.75 to <2.50	30,369	11,790	63	37,486	1.18	1,154	39.1	2.5	32,679	87,2	172	−67
	0.75 to <1.75	*28,109*	*11,387*	*63*	*35,008*	*1.13*	*917*	*39.7*	*2.5*	*30,663*	*87,6*	*157*	*−50*
	1.75 to <2.5	*2,260*	*404*	*61*	*2,478*	*1.97*	*237*	*31.4*	*2.5*	*2,017*	*81,4*	*14*	*−17*
	2.50 to <10.00	3,301	1,720	64	4,398	4.14	193	42.0	2.5	5,984	136,1	76	−112
	2.5 to <5	*2,548*	*1,568*	*64*	*3,544*	*3.24*	*174*	*42.3*	*2.5*	*4,573*	*129,0*	*48*	*−37*
	5 to <10	*753*	*153*	*71*	*854*	*7.91*	*19*	*41.0*	*2.5*	*1,411*	*165,2*	*28*	*−75*
	10.00 to <100.00	263	52	44	286	16.69	15	43.0	2.5	648	226,5	21	−36
	10 to <20	*122*	*5*	*32*	*123*	*11.01*	*7*	*41.8*	*2.5*	*243*	*197,2*	*6*	*−14*
	20 to <30	*141*	*47*	*45*	*163*	*21.00*	*8*	*43.9*	*2.5*	*404*	*248,7*	*15*	*−22*
	30.00 to <100.00												
	100.00(Default)	1,567	90	68	1,628	100.00	32	44.0	2.5			716	−1,032
	Sub-total	**155,377**	**128,818**	**63**	**235,043**	**1.13**	**3,355**	**39.6**	**2.5**	**105,472**	**44,9**	**1,124**	**−1,375**

Table 17. EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range

SEK m	a	b	c	d	e	f	g	h	i	j	k	l	m
31 Dec 2021	PD scale	On-balance sheet exposures	Off-balance sheet exposures pre CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
F-IRB Corporates – Specialised Lending	0.00 to <0.15	515	245	75	699	0.09	4	44.5	2.5	178	25,5	0	0
	0.00 to <0.10	*318*			*318*	*0.06*	*2*	*43.9*	*2.5*	*55*	*17,2*	*0*	*0*
	0.10 to <0.15	*197*	*245*	*75*	*381*	*0.11*	*2*	*45.0*	*2.5*	*124*	*32,5*	*0*	*0*
	0.15 to <0.25	1,982	331	74	2,226	0.18	7	44.9	2.5	808	36,3	2	–1
	0.25 to <0.50	1,271	189	75	1,412	0.35	11	43.7	2.5	700	49,6	2	–1
	0.50 to <0.75	2,487	225	81	2,453	0.54	6	36.9	2.5	1,267	51,7	5	–1
	0.75 to <2.50	420	114	73	503	1.41	15	39.3	2.5	478	94,9	3	–1
	0.75 to <1.75	*411*	*111*	*73*	*492*	*1.39*	*13*	*39.4*	*2.5*	*469*	*95,4*	*3*	*–1*
	1.75 to <2.5	*9*	*4*	*75*	*12*	*2.00*	*2*	*34.5*	*2.5*	*9*	*72,4*	*0*	*0*
	2.50 to <10.00	257			257	4.58	1	45.0	2.5	311	121,0	5	–24
	2.5 to <5	*257*			*257*	*4.58*	*1*	*45.0*	*2.5*	*311*	*121,0*	*5*	*–24*
	5 to <10												
	10.00 to <100.00	111	3	100	114	24.73	2	43.6	2.5	288	252,8	12	–73
	10 to <20		*3*	*100*	*3*	*15.00*	*1*	*45.0*	*2.5*	*7*	*234,8*	*0*	*–2*
	20 to <30	*111*			*111*	*25.00*	*1*	*43.6*	*2.5*	*281*	*253,3*	*12*	*–71*
	30.00 to <100.00												
	100.00(Default)	248	0	75	248	100.00	16	42.7	2.5			106	–89
	Sub-total	**7,290**	**1,107**	**76**	**7,913**	**4.01**	**62**	**41.8**	**2.5**	**4,031**	**50,9**	**135**	**–190**
F-IRB Institutions	0.00 to <0.15	34,004	17,319	60	41,208	0.03	146	27.4	2.5	5,234	12,7	4	0
	0.00 to <0.10	*33,951*	*17,108*	*60*	*41,050*	*0.03*	*138*	*27.4*	*2.5*	*5,182*	*12,6*	*4*	*0*
	0.10 to <0.15	*53*	*211*	*50*	*158*	*0.13*	*8*	*30.0*	*2.5*	*52*	*32,8*	*0*	*0*
	0.15 to <0.25	2,672	4,537	53	4,578	0.19	50	42.1	2.5	2,012	44	4	0
	0.25 to <0.50	1,712	314	55	1,884	0.40	30	21.8	2.5	579	30,7	1	–1
	0.50 to <0.75	98	323	74	335	0.58	3	42.3	2.5	246	73,5	1	0
	0.75 to <2.50	3,317	582	59	3,662	1.32	37	44.3	2.5	3,861	105,4	21	–2
	0.75 to <1.75	*3,316*	*544*	*62*	*3,653*	*1.32*	*32*	*44.3*	*2.5*	*3,848*	*105,3*	*21*	*–2*
	1.75 to <2.5	*1*	*38*	*20*	*9*	*1.83*	*5*	*44.8*	*2.5*	*13*	*144,9*	*0*	*0*
	2.50 to <10.00	898	269	53	1,041	3.62	15	45.0	2.5	1,525	146,5	17	–2
	2.5 to <5	*885*	*171*	*72*	*1,009*	*3.47*	*9*	*45.0*	*2.5*	*1,453*	*144*	*16*	*–2*
	5 to <10	*13*	*98*	*20*	*32*	*8.00*	*6*	*45.0*	*2.5*	*72*	*221,8*	*1*	*0*
	10.00 to <100.00	53	10	24	56	11.81	6	45.0	2.5	140	252,3	3	0
	10 to <20	*53*	*10*	*24*	*56*	*11.81*	*6*	*45.0*	*2.5*	*140*	*252,3*	*3*	*0*
	20 to <30												
	30.00 to <100.00												
	100.00(Default)	197	28	83	220	100.00	1	45.0	2.5			99	–152
	Sub-total	**42,951**	**23,382**	**59**	**52,984**	**0.65**	**288**	**30.2**	**2.5**	**13,598**	**25,7**	**150**	**–157**
	TOTAL F-IRB	**825,906**	**190,207**	**67**	**972,246**	**0.44**	**9,961**	**42.2**	**1.8**	**165,927**	**17,1**	**1,784**	**–2,027**

Table 17. EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range

SEK m

30 Jun 2021	a PD scale	b On-balance sheet exposures	c Off-balance sheet exposures pre CCF	d Exposure weighted average CCF	e Exposure post CCF and post CRM	f Exposure weighted average PD (%)	g Number of obligors	h Exposure weighted average LGD (%)	i Exposure weighted average maturity (years)	j Risk weighted exposure amount after supporting factors	k Density of risk weighted exposure amount	l Expected loss amount	m Value adjustments and provisions
A-IRB Corporates – Other	0.00 to <0.15	114,905	217,593	56	239,782	0.07	2,009	29.4	2.1	33,604	14	48	−25
	0.00 to <0.10	*69,663*	*152,534*	*56*	*157,923*	*0.05*	*1,411*	*29.0*	*2.0*	*17,272*	*10,9*	*22*	*−15*
	0.10 to <0.15	*45,243*	*65,058*	*56*	*81,859*	*0.11*	*598*	*30.1*	*2.2*	*16,332*	*20*	*27*	*−10*
	0.15 to <0.25	91,193	103,945	55	150,145	0.20	1,761	30.7	1.9	40,414	26,9	89	−38
	0.25 to <0.50	82,588	32,127	57	94,366	0.37	1,534	19.7	2.0	23,338	24,7	70	−57
	0.50 to <0.75	70,906	11,719	62	76,175	0.58	1,074	13.0	2.3	15,866	20,8	57	−48
	0.75 to <2.50	75,190	19,880	54	80,546	1.17	1,351	20.4	2.4	36,660	45,5	200	−133
	0.75 to <1.75	*74,868*	*19,880*	*54*	*80,224*	*1.16*	*1,273*	*20.5*	*2.4*	*36,619*	*45,6*	*200*	*−133*
	1.75 to <2.5	*322*	*0*	*65*	*321*	*1.80*	*78*	*5.9*	*1.5*	*41*	*12,6*	*0*	*0*
	2.50 to <10.00	13,847	10,215	31	15,155	3.67	3,541	33.2	1.9	15,134	99,9	180	−212
	2.5 to <5	*11,810*	*9,832*	*31*	*13,164*	*3.02*	*3,494*	*33.9*	*2.0*	*12,870*	*97,8*	*134*	*−99*
	5 to <10	*2,037*	*384*	*39*	*1,991*	*8.00*	*47*	*28.8*	*1.6*	*2,265*	*113,7*	*46*	*−113*
	10.00 to <100.00	2,587	115	64	2,330	16.39	48	27.1	2.3	3,273	140,5	107	−362
	10 to <20	*1,210*	*70*	*64*	*1,074*	*11.00*	*28*	*24.4*	*2.8*	*1,281*	*119,3*	*29*	*−188*
	20 to <30	*1,377*	*45*	*63*	*1,256*	*21.00*	*20*	*29.5*	*2.0*	*1,992*	*158,6*	*78*	*−175*
	30.00 to <100.00												
	100.00(Default)	3,932	896	62	4,475	100.00	35	0.8	1.6	452	10,1	2,390	−2,390
	Sub-total	**455,148**	**396,490**	**55**	**662,975**	**11.46**	**11,353**	**25.2**	**2.1**	**168,741**	**25,5**	**3,141**	**−3,266**
A-IRB Corporates – SME	0.00 to <0.15	23,410	3,173	58	24,685	0.08	1,212	18.7	1.6	1,568	6,4	4	−2
	0.00 to <0.10	*13,645*	*2,535*	*57*	*14,693*	*0.05*	*577*	*18.1*	*1.4*	*569*	*3,9*	*1*	*−1*
	0.10 to <0.15	*9,765*	*639*	*60*	*9,992*	*0.13*	*635*	*19.7*	*1.7*	*1,000*	*10*	*3*	*−1*
	0.15 to <0.25	23,449	3,353	64	29,989	0.20	2,956	11.6	1.7	2,052	6,8	7	−8
	0.25 to <0.50	55,831	5,650	56	58,968	0.34	6,445	8.4	1.9	3,789	6,4	17	−22
	0.50 to <0.75	54,783	6,074	59	60,406	0.60	5,386	11.6	1.6	7,463	12,4	43	−50
	0.75 to <2.50	47,205	4,515	55	49,845	1.12	5,383	12.3	1.5	8,181	16,4	72	−98
	0.75 to <1.75	*45,012*	*4,258*	*54*	*47,708*	*1.08*	*4,612*	*12.3*	*1.5*	*7,784*	*16,3*	*66*	*−83*
	1.75 to <2.5	*2,192*	*257*	*57*	*2,137*	*2.07*	*771*	*13*	*1.3*	*397*	*18,6*	*6*	*−15*
	2.50 to <10.00	3,210	967	58	3,385	4.15	7,221	20.4	1.7	1,485	43,9	31	−50
	2.5 to <5	*2,533*	*865*	*61*	*2,855*	*3.50*	*7,065*	*20.3*	*1.8*	*1,224*	*42,9*	*22*	*−35*
	5 to <10	*677*	*102*	*27*	*530*	*7.65*	*156*	*21.2*	*1.0*	*260*	*49,1*	*9*	*−15*
	10.00 to <100.00	1,001	31	89	2,144	19.41	210	27.2	1.2	2,596	121,1	112	−223
	10 to <20	*387*	*18*	*58*	*343*	*11.03*	*128*	*31.5*	*2.2*	*388*	*113,2*	*12*	*−68*
	20 to <30	*613*	*13*	*100*	*1,802*	*21.00*	*82*	*26.4*	*1.0*	*2,209*	*122,6*	*100*	*−156*
	30.00 to <100.00												
	100.00(Default)	2,935	39	7	1,603	100.00	192	1.8	1.2	361	22,5	1,916	−1,922
	Sub-total	**211,823**	**23,802**	**58**	**231,026**	**14.56**	**29,005**	**11.9**	**1.7**	**27,496**	**11,9**	**2,200**	**−2,375**
A-IRB Corporates – Specialised lending	0.00 to <0.15	3,355	1,605	62	4,350	0.06	18	17.92	4.4	453	10,4	0	0
	0.00 to <0.10	*2,680*	*215*	*62*	*2,813*	*0.03*	*12*	*20.0*	*5.0*	*298*	*10,6*	*0*	*0*
	0.10 to <0.15	*676*	*1,390*	*62*	*1,538*	*0.11*	*6*	*14.12*	*3.2*	*156*	*10,1*	*0*	*0*
	0.15 to <0.25	1,582	197	45	1,672	0.18	4	20.25	4.8	374	22,3	1	−1
	0.25 to <0.50	9,071	3,794	61	11,402	0.32	25	24.48	4.4	3,706	32,5	9	−4
	0.50 to <0.75	4,360	1,355	59	5,162	0.54	19	26.87	4.3	2,543	49,3	7	−3
	0.75 to <2.50	5,060	3,059	53	5,936	1.11	20	26.89	3.5	3,782	63,7	18	−9
	0.75 to <1.75	*5,060*	*3,059*	*53*	*5,936*	*1.11*	*20*	*26.89*	*3.5*	*3,782*	*63,7*	*18*	*−9*
	1.75 to <2.5												
	2.50 to <10.00	8	32	70	31	2.90	15	30.74	4.0	33	106,1	0	−1
	2.5 to <5	*8*	*32*	*70*	*31*	*2.90*	*14*	*30.74*	*4.0*	*33*	*106,1*	*0*	*−1*
	5 to <10	*0*			*0*	*8.00*	*1*	*31.0*	*1.0*	*0*	*116,4*	*0*	
	10.00 to <100.00												
	10 to <20												
	20 to <30												
	30.00 to <100.00												
	100.00(Default)	0			0	100.00	2	26.0	1.0	0	325		
	Sub-total	**23,436**	**10,043**	**58**	**28,552**	**4.78**	**103**	**24.2**	**4.2**	**10,890**	**38,1**	**36**	**−19**
A-IRB Institutions	0.00 to <0.15	71,362	38,389	52	79,297	0.07	1,901	39.6	1.4	14,664	18,5	22	−8
	0.00 to <0.10	*58,283*	*30,085*	*50*	*62,591*	*0.06*	*1,670*	*40.6*	*1.4*	*10,781*	*17,2*	*14*	*−6*
	0.10 to <0.15	*13,079*	*8,304*	*58*	*16,706*	*0.13*	*231*	*36.2*	*1.3*	*3,883*	*23,2*	*8*	*−1*
	0.15 to <0.25	8,660	3,658	32	10,035	0.21	2,216	33.2	1.0	2,715	27,1	7	−2
	0.25 to <0.50	2,561	2,155	37	3,356	0.38	357	40.6	1.5	1,926	57,4	5	−1
	0.50 to <0.75	0			0	0.65	4	37.6	1.0	0	55,4	0	0
	0.75 to <2.50	2,234	4,959	50	4,630	1.05	198	38.7	1.1	3,905	84,4	19	−2
	0.75 to <1.75	*1,921*	*4,640*	*52*	*4,352*	*1.00*	*143*	*37.6*	*1.1*	*3,493*	*80,3*	*16*	*−2*
	1.75 to <2.5	*314*	*319*	*15*	*278*	*1.80*	*55*	*55.5*	*0.9*	*413*	*148,6*	*3*	*0*
	2.50 to <10.00	908	1,443	14	913	5.32	152	55.0	0.7	1,825	200	27	−1
	2.5 to <5	*621*	*512*	*17*	*557*	*3.62*	*66*	*54.5*	*0.8*	*976*	*175,1*	*11*	*0*
	5 to <10	*287*	*931*	*13*	*355*	*8.00*	*86*	*55.8*	*0.5*	*849*	*239*	*16*	*0*
	10.00 to <100.00	317	616	11	266	12.72	149	54.8	0.5	733	275,5	18	0
	10 to <20	*292*	*568*	*10*	*233*	*11.54*	*87*	*55.8*	*0.5*	*641*	*275,1*	*15*	*0*
	20 to <30	*25*	*49*	*21*	*33*	*21.01*	*62*	*47.3*	*0.6*	*92*	*278*	*3*	*0*
	30.00 to <100.00												
	100.00(Default)	0			0	100.00	22	49.5	1.0	1	618,9	0	0
	Sub-total	**86,043**	**51,220**	**48**	**98,497**	**2.25**	**4,999**	**39.2**	**1.3**	**25,770**	**26,2**	**99**	**−14**

Table 17. EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range

SEK m	a	b	c	d	e	f	g	h	i	j	k	l	m
30 Jun 2021	PD scale	On-balance sheet exposures	Off-balance sheet exposures pre CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
A-IRB Retail – Secured by immovable property non-SME	0.00 to <0.15	207,000	6,378	58	210,718	0.09	307,601	6.4	0.0	3,177	1,5	12	−4
	0.00 to <0.10	*207,000*	*6,378*	*58*	*210,718*	*0.09*	*307,601*	*6.4*	*0.0*	*3,177*	*1,5*	*12*	*−4*
	0.10 to <0.15												
	0.15 to <0.25	192,079	12,636	57	199,227	0.16	279,019	9.6	0.0	6,836	3,4	30	−8
	0.25 to <0.50	123,551	39,372	52	143,840	0.30	217,828	15.7	0.0	13,033	9,1	69	−35
	0.50 to <0.75	31,946	9,468	54	37,034	0.66	55,407	15.3	0.0	5,723	15,5	38	−13
	0.75 to <2.50	20,033	2,774	78	22,188	1.33	28,212	14.8	0.0	5,193	23,4	43	−31
	0.75 to <1.75	*19,511*	*2,587*	*76*	*21,479*	*1.31*	*27,100*	*14.6*	*0.0*	*4,887*	*22,8*	*40*	*−27*
	1.75 to <2.5	*523*	*187*	*100*	*709*	*2.00*	*1,112*	*20.9*	*0.0*	*307*	*43,2*	*3*	*−5*
	2.50 to <10.00	11,424	708	64	11,881	4.37	14,682	11.6	0.0	4,461	37,5	62	−38
	2.5 to <5	*8,247*	*445*	*63*	*8,530*	*3.38*	*11,170*	*11.2*	*0.0*	*2,710*	*31,8*	*33*	*−23*
	5 to <10	*3,177*	*263*	*65*	*3,351*	*6.90*	*3,512*	*12.8*	*0.0*	*1,752*	*52,3*	*30*	*−15*
	10.00 to <100.00	4,781	26	66	4,798	23.81	8,791	11.1	0.0	2,977	62,1	118	−112
	10 to <20	*3,029*	*12*	*72*	*3,038*	*14.64*	*5,883*	*11.6*	*0.0*	*1,938*	*63,8*	*52*	*−55*
	20 to <30	*279*	*0*		*279*	*20.00*	*800*	*18.3*	*0.0*	*304*	*109*	*10*	*−14*
	30.00 to <100.00	*1,473*	*14*	*60*	*1,481*	*43.33*	*2,108*	*8.6*	*0.0*	*736*	*49,7*	*55*	*−43*
	100.00(Default)	846			846	100.00	2,270	17.3	0.0	270	31,9	128	−262
	Sub-total	**591,660**	**71,362**	**55**	**630,531**	**6.33**	**913,810**	**10.5**	**0.0**	**41,671**	**6,6**	**501**	**−503**
A-IRB Retail – Secured by immovable property SME	0.00 to <0.15	757	31	100	790	0.09	786	13.4	0.0	19	2,4	0	0
	0.00 to <0.10	*757*	*31*	*100*	*790*	*0.09*	*786*	*13.4*	*0.0*	*19*	*2,4*	*0*	*0*
	0.10 to <0.15												
	0.15 to <0.25	1,213	22	100	1,236	0.16	1,021	13.5	0.0	45	3,7	0	0
	0.25 to <0.50	1,876	372	67	2,123	0.32	3,483	14.4	0.0	143	6,8	1	−3
	0.50 to <0.75	493	89	32	522	0.64	820	20.4	0.0	80	15,4	1	−2
	0.75 to <2.50	4,269	255	70	4,441	1.31	6,557	13.2	0.0	724	16,3	8	−8
	0.75 to <1.75	*3,563*	*203*	*75*	*3,711*	*1.13*	*5,864*	*13.1*	*0.0*	*547*	*14,7*	*6*	*−5*
	1.75 to <2.5	*706*	*52*	*49*	*730*	*2.23*	*693*	*14.1*	*0.0*	*177*	*24,2*	*2*	*−3*
	2.50 to <10.00	786	42	67	814	4.81	1,053	13.8	0.0	295	36,3	6	−9
	2.5 to <5	*619*	*30*	*71*	*639*	*4.07*	*766*	*12.9*	*0.0*	*197*	*30,8*	*3*	*−4*
	5 to <10	*168*	*12*	*55*	*174*	*7.52*	*287*	*17.2*	*0.0*	*98*	*56,1*	*2*	*−5*
	10.00 to <100.00	163	3	82	163	18.24	188	12.7	0.0	88	53,8	4	−1
	10 to <20	*132*	*2*	*80*	*133*	*13.25*	*134*	*12.8*	*0.0*	*72*	*53,7*	*2*	*−1*
	20 to <30	*17*	*1*	*85*	*17*	*28.14*	*18*	*12.8*	*0.0*	*11*	*61,8*	*1*	*0*
	30.00 to <100.00	*14*	*0*	*99*	*13*	*58.01*	*36*	*11.7*	*0.0*	*6*	*44*	*1*	*0*
	100.00(Default)	100	1	100	101	100.00	103	14.3	0.0	75	73,8	9	−12
	Sub-total	**9,658**	**815**	**66**	**10,190**	**2.37**	**14,011**	**13.9**	**0.0**	**1,469**	**14,4**	**28**	**−35**
A-IRB Retail – Other non-SME	0.00 to <0.15	6,277	29,381	81	30,368	0.06	989,665	42.0	0.0	2,429	8	9	−23
	0.00 to <0.10	*3,382*	*17,369*	*86*	*18,487*	*0.03*	*642,604*	*34.0*	*0.0*	*688*	*3,7*	*2*	*−8*
	0.10 to <0.15	*2,895*	*12,012*	*75*	*11,880*	*0.10*	*347,061*	*54.3*	*0.0*	*1,741*	*14,7*	*7*	*−15*
	0.15 to <0.25	1,426	2,775	75	3,827	0.17	80,676	48.4	0.0	732	19,1	3	−5
	0.25 to <0.50	4,149	332	96	4,507	0.33	38,376	51.1	0.0	1,381	30,6	8	−13
	0.50 to <0.75	5,807	5,511	71	9,955	0.67	264,558	42.9	0.0	3,779	38	28	−32
	0.75 to <2.50	4,114	1,216	59	4,877	1.28	272,118	51.0	0.0	2,928	60	32	−35
	0.75 to <1.75	*3,987*	*862*	*49*	*4,455*	*1.21*	*214,728*	*50.8*	*0.0*	*2,625*	*58,9*	*27*	*−30*
	1.75 to <2.5	*127*	*354*	*83*	*422*	*2.00*	*57,390*	*52.8*	*0.0*	*304*	*72,1*	*4*	*−4*
	2.50 to <10.00	4,812	1,080	74	5,670	3.90	92,419	53.0	0.0	4,504	79,4	114	−157
	2.5 to <5	3,498	601	74	3,984	2.67	54,129	55.2	0.0	3,186	80	59	−63
	5 to <10	1,314	479	73	1,685	6.82	38,290	47.7	0.0	1,318	78,2	56	−94
	10.00 to <100.00	787	94	71	865	23.24	60,065	51.3	0.0	1,048	121,1	100	−139
	10 to <20	*423*	*74*	*70*	*483*	*15.97*	*10,119*	*52.7*	*0.0*	*541*	*112*	*40*	*−50*
	20 to <30	*220*	*6*	*91*	*225*	*27.19*	*4,125*	*52.6*	*0.0*	*312*	*138,8*	*32*	*−62*
	30.00 to <100.00	*144*	*14*	*72*	*157*	*39.92*	*45,821*	*45.0*	*0.0*	*195*	*124*	*28*	*−27*
	100.00(Default)	1,060	1	93	1,062	100.00	21,203	51.6	0.0	578	54,4	502	−666
	Sub-total	**28,431**	**40,39**	**79**	**61,130**	**27.05**	**1,819,080**	**45.2**	**0.0**	**17,379**	**28,4**	**796**	**−1,069**
A-IRB Retail – Other SME	0.00 to <0.15	344	112	98	618	0.06	11,905	91.3	0.0	99	16	0	−13
	0.00 to <0.10	*332*	*112*	*98*	*606*	*0.06*	*11,859*	*92.2*	*0.0*	*98*	*16,1*	*0*	*−13*
	0.10 to <0.15	*12*			*12*	*0.13*	*46*	*45.9*	*0.0*	*1*	*11*	*0*	*0*
	0.15 to <0.25	23	38	79	66	0.15	656	48.1	0.0	9	13	0	0
	0.25 to <0.50	946	2,848	69	2,980	0.31	15,257	49.1	0.0	704	23,6	5	−13
	0.50 to <0.75	452	182	63	689	0.58	20,243	64.5	0.0	355	51,6	3	−11
	0.75 to <2.50	2,372	3,388	85	5,294	1.42	409,659	48.1	0.0	2,553	48,2	37	−37
	0.75 to <1.75	*1,670*	*3,019*	*86*	*4,228*	*1.24*	*395,022*	*45.0*	*0.0*	*1,736*	*41,1*	*24*	*−20*
	1.75 to <2.5	*702*	*369*	*79*	*1,067*	*2.13*	*14,638*	*60.4*	*0.0*	*818*	*76,7*	*13*	*−17*
	2.50 to <10.00	1,290	612	78	1,853	5.30	20,711	56.2	0.0	1,532	82,7	61	−55
	2.5 to <5	*947*	*379*	*79*	*1,255*	*4.09*	*7,942*	*48.3*	*0.0*	*814*	*64,9*	*26*	*−28*
	5 to <10	*343*	*232*	*78*	*598*	*7.85*	*12,769*	*72.8*	*0.0*	*718*	*120,1*	*35*	*−28*
	10.00 to <100.00	370	113	79	475	30.61	9,143	55.9	0.0	574	120,9	84	−24
	10 to <20	*161*	*37*	*81*	*191*	*13.46*	*837*	*45.9*	*0.0*	*142*	*74,4*	*12*	*−7*
	20 to <30	*60*	*2*	*83*	*71*	*24.07*	*1,019*	*53.0*	*0.0*	*85*	*119,8*	*9*	*−6*
	30.00 to <100.00	*149*	*74*	*78*	*212*	*48.25*	*7,287*	*65.8*	*0.0*	*347*	*163,2*	*64*	*−11*
	100.00(Default)	150	4	71	153	100.00	916	47.1	0.0	114	74,1	63	−70
	Sub-total	**5,948**	**7,296**	**78**	**12,128**	**40.04**	**488,490**	**53.0**	**0.0**	**5,940**	**49**	**254**	**−223**
	TOTAL A-IRB	**1,412,146**	**601,418**	**57**	**1,735,029**	**10.20**	**3,280,851**	**19.7**	**1.2**	**299,355**	**17,3**	**7,054**	**−7,504**

Table 17. EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range

SEK m	a	b	c	d	e	f	g	h	i	j	k	l	m
30 Jun 2021	PD scale	On-balance sheet exposures	Off-balance sheet exposures pre CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
F-IRB Central governments and central banks	0.00 to <0.15	633,249	22,953	100	683,697	0.00	908	44.8	1.3	14,751	2,2	13	−19
	0.00 to <0.10	*632,742*	*22,953*	*100*	*683,190*	*0.00*	*902*	*44.8*	*1.3*	*14,558*	*2,1*	*13*	*−19*
	0.10 to <0.15	*507*			*507*	*0.14*	*6*	*45.0*	*2.5*	*193*	*38*	*0*	*0*
	0.15 to <0.25	704	17	75	717	0.21	25	43.9	2.5	333	46,4	1	0
	0.25 to <0.50	194	9	75	159	0.32	35	39.4	2.5	82	51,7	0	0
	0.50 to <0.75												
	0.75 to <2.50	26	0	72	26	1.16	15	41.4	2.5	25	94,5	0	0
	0.75 to <1.75	*25*	*0*	*72*	*26*	*1.15*	*12*	*41.4*	*2.5*	*24*	*94,4*	*0*	*0*
	1.75 to <2.5	*0*			*0*	*1.83*	*3*	*40.1*	*2.5*	*0*	*105,9*	*0*	*0*
	2.50 to <10.00	40			0	4.43	11	45.0	2.5	1	152,2	0	0
	2.5 to <5	*0*			*0*	*3.92*	*4*	*45.0*	*2.5*	*0*	*147*	*0*	*0*
	5 to <10	*40*			*0*	*7.87*	*7*	*45.0*	*2.5*	*0*	*187*	*0*	*0*
	10.00 to <100.00	4	0	50	4	11.34	13	45.0	2.5	10	213,4	0	0
	10 to <20	*4*			*4*	*11.00*	*8*	*45.0*	*2.5*	*9*	*211,9*	*0*	*0*
	20 to <30	*0*	*0*	*50*	*0*	*21.00*	*5*	*45.0*	*2.5*	*0*	*254,9*	*0*	*0*
	30.00 to <100.00												
	100.00(Default)		0	50	0	100.00	1	45.0	2.5			0	0
	Sub-total	**634,217**	**22,980**	**100**	**684,603**	**0.05**	**1,008**	**44.8**	**1.3**	**15,200**	**2,2**	**15**	**−19**
F-IRB Corporates – SME	0.00 to <0.15	5,610	1,590	77	6,831	0.10	71	21.8	2.5	578	8,5	1	0
	0.00 to <0.10	*1,740*	*1,335*	*78*	*2,778*	*0.05*	*30*	*42.8*	*2.5*	*416*	*15*	*1*	*0*
	0.10 to <0.15	*3,871*	*255*	*72*	*4,054*	*0.13*	*41*	*7.4*	*2.5*	*162*	*4*	*0*	*0*
	0.15 to <0.25	2,044	749	27	2,244	0.20	561	39.2	2.5	599	26,7	2	−3
	0.25 to <0.50	4,644	2,128	47	5,643	0.37	781	32.2	2.5	1,743	30,9	7	−9
	0.50 to <0.75	5,464	1,433	16	5,746	0.63	799	35.2	2.5	2,425	42,2	13	−15
	0.75 to <2.50	21,024	5,948	61	24,433	1.25	2,221	39.0	2.5	14,960	61,2	120	−68
	0.75 to <1.75	*17,541*	*4,794*	*63*	*20,491*	*1.13*	*1,628*	*39.0*	*2.5*	*12,260*	*59,8*	*91*	*−42*
	1.75 to <2.5	*3,482*	*1,154*	*53*	*3,942*	*1.90*	*593*	*39.0*	*2.5*	*2,699*	*68,5*	*29*	*−26*
	2.50 to <10.00	2,195	537	30	2,287	4.83	483	37.3	2.5	1,869	81,8	41	−59
	2.5 to <5	*1,477*	*432*	*36*	*1,560*	*3.56*	*425*	*37.9*	*2.5*	*1,186*	*76*	*21*	*−30*
	5 to <10	*718*	*104*	*7*	*727*	*7.56*	*58*	*36.0*	*2.5*	*684*	*94*	*20*	*−29*
	10.00 to <100.00	340	62	30	343	15.24	42	36.7	2.5	418	121,9	19	−48
	10 to <20	*196*	*25*	*6*	*197*	*11.00*	*29*	*37.3*	*2.5*	*218*	*110,3*	*8*	*−16*
	20 to <30	*145*	*37*	*46*	*146*	*21.00*	*13*	*36.0*	*2.5*	*200*	*137,7*	*11*	*−32*
	30.00 to <100.00												
	100.00(Default)	564	4	26	566	100.00	54	41.3	2.5			234	−181
	Sub-total	**41,886**	**12,451**	**52**	**48,093**	**22.94**	**5,012**	**35.2**	**2.5**	**22,593**	**47**	**436**	**−384**
F-IRB Corporates – Other	0.00 to <0.15	44,174	51,811	61	70,388	0.06	467	40.1	2.5	14,560	20,7	17	−14
	0.00 to <0.10	*34,269*	*34,826*	*58*	*49,818*	*0.04*	*333*	*41.0*	*2.5*	*8,458*	*17*	*9*	*−6*
	0.10 to <0.15	*9,905*	*16,985*	*66*	*20,569*	*0.11*	*134*	*38.1*	*2.5*	*6,101*	*29,7*	*9*	*−7*
	0.15 to <0.25	30,349	35,425	64	53,125	0.19	547	35.9	2.5	19,159	36,1	37	−21
	0.25 to <0.50	23,079	8,626	66	28,705	0.36	626	38.3	2.5	14,595	50,8	39	−31
	0.50 to <0.75	12,271	5,331	54	15,102	0.60	318	38.3	2.5	9,886	65,5	35	−37
	0.75 to <2.50	32,500	10,276	60	38,142	1.16	1,096	39.2	2.5	33,334	87,4	175	−74
	0.75 to <1.75	*30,726*	*9,914*	*60*	*36,239*	*1.12*	*885*	*39.3*	*2.5*	*31,430*	*86,7*	*161*	*−68*
	1.75 to <2.5	*1,774*	*362*	*61*	*1,903*	*1.85*	*211*	*38.5*	*2.5*	*1,905*	*100,1*	*14*	*−6*
	2.50 to <10.00	3,040	937	57	3,545	3.79	220	40.2	2.5	4,553	128,4	54	−63
	2.5 to <5	*2,652*	*898*	*58*	*3,150*	*3.26*	*199*	*40.3*	*2.5*	*3,897*	*123,7*	*42*	*−25*
	5 to <10	*388*	*38*	*39*	*396*	*8.00*	*21*	*39.6*	*2.5*	*655*	*165,7*	*13*	*−38*
	10.00 to <100.00	423	39	45	440	18.52	13	44.0	2.5	1,055	239,4	36	−67
	10 to <20	*94*	*33*	*50*	*110*	*11.00*	*8*	*41.3*	*2.5*	*215*	*194,4*	*5*	*−14*
	20 to <30	*329*	*6*	*20*	*330*	*21.04*	*5*	*44.9*	*2.5*	*840*	*254,5*	*31*	*−54*
	30.00 to <100.00												
	100.00(Default)	1,921	274	67	2,105	100.00	38	43.8	2.5			922	−1,078
	Sub-total	**147,757**	**112,719**	**62**	**211,552**	**14.67**	**3,325**	**38.6**	**2.5**	**97,141**	**45,9**	**1,315**	**−1,385**
F-IRB Corporates – Specialised Lending	0.00 to <0.15	527	232	75	701	0.09	4	44.5	2.5	180	25,6	0	0
	0.00 to <0.10	*314*	*0*		*314*	*0.06*	*2*	*43.9*	*2.5*	*54*	*17,2*	*0*	*0*
	0.10 to <0.15	*213*	*232*	*75*	*387*	*0.11*	*2*	*45.0*	*2.5*	*126*	*32,4*	*0*	*0*
	0.15 to <0.25	2,066	458	74	2,406	0.18	7	44.9	2.5	868	36,1	2	−1
	0.25 to <0.50	1,043	212	75	1,201	0.34	12	44.1	2.5	569	47,4	2	−1
	0.50 to <0.75	2,393	291	85	2,427	0.54	6	36.9	2.5	1,251	51,5	5	−1
	0.75 to <2.50	700	106	75	780	1.39	14	35.6	2.5	644	82,6	4	−2
	0.75 to <1.75	*691*	*103*	*75*	*768*	*1.38*	*12*	*35.6*	*2.5*	*635*	*82,7*	*4*	*−2*
	1.75 to <2.5	*9*	*4*	*75*	*12*	*2.00*	*2*	*34.5*	*2.5*	*8*	*72,5*	*0*	*0*
	2.50 to <10.00	264			264	2.69	1	45.0	2.5	277	104,9	3	−16
	2.5 to <5	*264*			*264*	*2.69*	*1*	*45.0*	*2.5*	*277*	*104,9*	*3*	*−16*
	5 to <10												
	10.00 to <100.00	138	4	100	129	12.69	4	43.8	2.5	276	213,7	7	−47
	10 to <20	*128*	*4*	*100*	*124*	*12.23*	*3*	*43.7*	*2.5*	*266*	*213,5*	*7*	*−47*
	20 to <30	*9*			*5*	*25.00*	*1*	*45.0*	*2.5*	*10*	*218,8*	*1*	*0*
	30.00 to <100.00												
	100.00(Default)	350			350	100.00	18	41.5	2.5			145	−142
	Sub-total	**7,480**	**1,303**	**77**	**8,257**	**49.20**	**66**	**41.4**	**2.5**	**4,064**	**49,2**	**168**	**−210**

Table 17. EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range

SEK m	a	b	c	d	e	f	g	h	i	j	k	l	m
30 Jun 2021	PD scale	On-balance sheet exposures	Off-balance sheet exposures pre CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
F-IRB Institutions	0.00 to <0.15	43,429	14,458	58	51,537	0.04	158	25.2	2.5	6,173	12	4	0
	0.00 to <0.10	*43,111*	*14,205*	*58*	*51,109*	*0.03*	*145*	*25.3*	*2.5*	*6,113*	*12*	*4*	*0*
	0.10 to <0.15	*318*	*254*	*43*	*427*	*0.13*	*13*	*12.7*	*2.5*	*60*	*13,9*	*0*	*0*
	0.15 to <0.25	2,117	3,640	42	3,207	0.19	56	42.3	2.5	1,471	45,9	3	0
	0.25 to <0.50	1,282	1,388	65	2,187	0.39	29	34.4	2.5	1,117	51,1	3	0
	0.50 to <0.75	91	0	75	91	0.70	2	35.0	2.5	60	66,4	0	0
	0.75 to <2.50	3,700	1,109	66	4,433	1.28	44	44.2	2.5	4,612	104	25	−2
	0.75 to <1.75	*3,689*	*1,106*	*66*	*4,422*	*1.28*	*39*	*44.3*	*2.5*	*4,611*	*104,3*	*25*	*−2*
	1.75 to <2.5	*11*	*3*	*20*	*11*	*1.81*	*5*	*5.6*	*2.5*	*2*	*16,5*	*0*	*0*
	2.50 to <10.00	823	283	57	983	4.39	19	45.0	2.5	1,520	154,5	19	−3
	2.5 to <5	*781*	*261*	*60*	*937*	*4.21*	*11*	*45.0*	*2.5*	*1,417*	*151,2*	*18*	*−3*
	5 to <10	*42*	*21*	*20*	*46*	*8.00*	*8*	*45.0*	*2.5*	*102*	*221,8*	*2*	*0*
	10.00 to <100.00	50	127	26	83	12.54	8	40.9	2.5	190	228,7	4	0
	10 to <20	*50*	*89*	*28*	*75*	*11.70*	*6*	*45.0*	*2.5*	*190*	*251,5*	*4*	*0*
	20 to <30		*38*	*20*	*8*	*21.00*	*2*		*2.5*				*0*
	30.00 to <100.00												
	100.00(Default)	192	31	82	217	100.00	1	45.0	2.5			98	−150
	Sub-total	**51,684**	**21,035**	**56**	**62,738**	**0.57**	**317**	**28.2**	**2.5**	**15,143**	**24,1**	**156**	**−155**
	TOTAL F-IRB	**883,024**	**170,488**	**66**	**1,015,243**	**4.93**	**9,728**	**42.0**	**1.7**	**154,140**	**15,2**	**2,090**	**−2,154**

COMMENT

- *The vast majority of SEB's credit exposure is subject to the IRB approach, 97.5 per cent.*

Table 18. EU CR6-A – Scope of the use of IRB and SA approaches

SEK m		a	b	c	d	e
31 Dec 2021		Exposure value as defined in Article 166 CRR for exposures subject to the IRB approach	Total exposure value for exposures subject to the Standardised approach and to the IRB approach	Percentage of total exposure value subject to the permanent partial use of the SA (%)	Percentage of total exposure value subject to a roll-out plan (%)	Percentage of total exposure value subject to the IRB approach (%)
1	Central governments or central banks	591,630	585,215	0.3	0.5	99.1
1.1	*Of which Regional governments or local authorities*		*567,881*	*0.3*	*0.5*	*99.1*
1.2	*Of which Public sector entities*		*1,976*			*100.0*
2	Institutions	181,471	177,503	0.8	1.3	97.9
3	Corporates	1,329,085	1,236,848	0.4	0.4	99.2
3.1	*Of which Corporates – Specialised lending, excluding slotting approach*		*34,499*			*100.0*
3.2	*Of which Corporates – Specialised lending under slotting approach*		*34,499*			*100.0*
4	Retail	753,024	707,140	0.4	3.9	95.7
4.1	*of which Retail – Secured by real estate SMEs*		*10,380*		*6.2*	*93.8*
4.2	*of which Retail – Secured by real estate non-SMEs*		*637,002*	*0.1*	*2.0*	*97.8*
4.3	*of which Retail – Qualifying revolving*					
4.4	*of which Retail – Other SMEs*		*11,715*	*0.6*	*37.2*	*62.2*
4.5	*of which Retail – Other non-SMEs*		*48,043*	*4.1*	*20.7*	*75.3*
5	Equity	17,994	18,307	97.0	3.0	
6	Other non-credit obligation assets	15,354	1,310	100.0		
7	**TOTAL**	**2,888,558**	**2,726,323**	**1.1**	**1.4**	**97.5**

Table 19. EU CR7 – IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques

SEK m		a	b	a	b
		31 Dec 2021		30 Jun 2021	
		Pre-credit derivatives risk weighted exposure amount	Actual risk weighted exposure amount	Pre-credit derivatives risk weighted exposure amount	Actual risk weighted exposure amount
1	**Exposures under F-IRB**	**165,927**	**165,927**	**154,140**	**154,140**
2	Central governments and central banks	17,409	17,409	15,200	15,200
3	Institutions	13,598	13,598	15,143	15,143
4	Corporates	134,920	134,920	123,797	123,797
4.1	*of which SMEs*	*25,418*	*25,418*	*22,593*	*22,593*
4.2	*of which Specialised lending*	*4,031*	*4,031*	*4,064*	*4,064*
5	**Exposures under A-IRB**	**322,414**	**322,414**	**299,355**	**299,355**
6	Central governments and central banks				
7	Institutions	30,051	30,051	25,770	25,770
8	Corporates	225,488	225,488	207,126	207,126
8.1	*of which Corporates – SMEs*	*29,042*	*29,042*	*27,496*	*27,496*
8.2	*of which Corporates – Specialised lending*	*10,254*	*10,254*	*10,890*	*10,890*
9	Retail	66,874	66,874	66,459	66,459
9.1	*of which Retail – SMEs – Secured by immovable property collateral*	*1,375*	*1,375*	*1,469*	*1,469*
9.2	*of which Retail – non-SMEs – Secured by immovable property collateral*	*42,343*	*42,343*	*41,671*	*41,671*
9.3	*of which Retail – Qualifying revolving*				
9.4	*of which Retail – SMEs - Other*	*5,621*	*5,621*	*5,940*	*5,940*
9.5	*of which Retail – Non-SMEs- Other*	*17,536*	*17,536*	*17,379*	*17,379*
10	**TOTAL (including F-IRB exposures and A-IRB exposures)**	**488,342**	**488,342**	**453,495**	**453,495**

COMMENT

- *SEB has not used credit derivatives for credit risk mitigation why there is no effect on RWA due to this.*

Table 20. EU CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques

SEK m	a	b	c	d	e	f	g	h	i	j	k	l	m	n
31 Dec 2021		Credit risk Mitigation techniques											Credit risk Mitigation methods in the calculation of RWEAs	
		Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)			
			Part of exposures covered by Other eligible collaterals (%)				Part of exposures covered by Other funded credit protection (%)							
A-IRB	Total exposures	Part of exposures covered by Financial Collaterals (%)		Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)		Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)	RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and sustitution effects)
1 Central governments and central banks														
2 Institutions	112,789		1.9	1.9							3.3		29,719	30,051
3 Corporates	997,808		35.5	35.5							2.8		225,821	225,488
3.1 *of which Corporates – SMEs*	*238,957*		*73.6*	*73.6*							*3.1*		*28,413*	*29,042*
3.2 *of which Corporates – Specialised lending*	*28,023*		*4.9*	*4.9*									*10,254*	*10,254*
3.3 *of which Corporates – Other*	*730,828*		*24.2*	*24.2*							*2.8*		*187,154*	*186,193*
4 Retail	723,693	0.0	79.9	79.5	0.1	0.3					0.3		66,874	66,874
4.1 *of which Retail – Immovable property SMEs*	*10,017*		*96.0*	*95.1*	*0.0*	*0.9*					*0.4*		*1,375*	*1,375*
4.2 *of which Retail – Immovable property non-SMEs*	*640,973*		*88.2*	*88.2*		*0.0*					*0.3*		*42,343*	*42,343*
4.3 *of which Retail – Qualifying revolving*														
4.4 *of which Retail – Other SMEs*	*11,176*	*0.6*	*27.8*	*0.3*	*6.3*	*21.2*					*1.7*		*5,621*	*5,621*
4.5 *of which Retail – Other non-SMEs*	*61,526*		*0.3*	*0.3*							*0.0*		*17,536*	*17,536*
5 **TOTAL**	**1,834,290**	**0.0**	**50.9**	**50.8**	**0.0**	**0.1**					**1.8**		**322,414**	**322,414**
F-IRB														
1 Central governments and central banks	619,885	0.3	0.7	0.2		0.5					0.6		15,900	17,409
2 Institutions	52,984	3.8	3.4	3.0		0.5					11.1		14,469	13,598
3 Corporates	299,377	8.5	26.7	14.5	4.1	8.2					3.6		135,447	134,920
3.1 *of which Corporates – SMEs*	*56,421*	*10.3*	*50.5*	*26.1*	*12.6*	*11.9*					*2.4*		*25,655*	*25,418*
3.2 *of which Corporates – Specialised lending*	*7,913*	*5.9*	*6.4*	*5.8*	*0.1*	*0.5*					*2.7*		*4,045*	*4,031*
3.3 *of which Corporates – Other*	*235,043*	*8.1*	*21.7*	*12*	*2.2*	*7.5*					*4.0*		*105,747*	*105,472*
4 **TOTAL**	**972,246**	**3.0**	**8.9**	**4.7**	**1.3**	**2.9**					**2.1**		**165,927**	**165,927**

Table 20. EU CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques

SEK m	a	b	c	d	e	f	g	h	i	j	k	l	m	n
30 Jun 2021		Credit risk Mitigation techniques											Credit risk Mitigation methods in the calculation of RWEAs	
		Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)			
				Part of exposures covered by Other eligible collaterals (%)			Part of exposures covered by Other funded credit protection (%)							
A-IRB	Total exposures	Part of exposures covered by Financial Collaterals (%)		Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)		Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)	RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and sustitution effects)
1 Central governments and central banks														
2 Institutions	98,497		1.5	1.5							3.1		25,785	25,770
3 Corporates	922,553		36.6	36.6							3.1		207,111	207,126
3.1 *of which Corporates – SMEs*	*231,026*		*75.5*	*75.5*							*3.3*		*26,656*	*27,496*
3.2 *of which Corporates – Specialised lending*	*28,552*		*4.8*	*4.8*									*11,054*	*10,890*
3.3 *of which Corporates – Other*	*662,975*		*24.5*	*24.5*							*3.2*		*169,401*	*168,741*
4 Retail	713,979	0.0	78.6	78.2	0.1	0.3					0.3		66,578	66,459
4.1 *of which Retail – Immovable property SMEs*	*10,190*	*0.0*	*96.3*	*95.3*	*0.0*	*0.9*					*0.4*		*1,469*	*1,469*
4.2 *of which Retail – Immovable property non-SMEs*	*630,531*	*0.0*	*87.0*	*87.0*		*0.0*					*0.3*		*41,671*	*41,671*
4.3 *of which Retail – Qualifying revolving*														
4.4 *of which Retail – Other SMEs*	*12,128*	*0.6*	*24.4*	*0.3*	*5.4*	*18.7*					*1.5*		*6,058*	*5,940*
4.5 *of which Retail – Other non-SMEs*	*61,130*	*0.0*	*0.3*	*0.3*		*0.0*					*0.0*		*17,380*	*17,379*
5 TOTAL	**1,735,029**	**0.0**	**51.9**	**51.8**	**0.0**	**0.1**					**2.0**		**299,474**	**299,355**
F-IRB														
1 Central governments and central banks	684,603	0.4	0.7	0.2	0.0	0.5	6.2				0.5		13,716	15,200
2 Institutions	62,738	2.6	3.2	2.8		0.4	9.0				9.2		15,389	15,143
3 Corporates	267,902	10.1	28.1	17.1	3.0	7.9	2.6				5.5		124,916	123,797
3.1 *of which Corporates – SMEs*	*48,093*	*11.8*	*51.4*	*31.6*	*7.1*	*12.6*	*1.1*				*2.0*		*22,677*	*22,593*
3.2 *of which Corporates – Specialised lending*	*8,257*	*6.7*	*6.4*	*6.2*	*0.0*	*0.3*					*2.7*		*4,083*	*4,064*
3.3 *of which Corporates – Other*	*211,552*	*9.8*	*23.6*	*14.3*	*2.2*	*7.2*	*3.0*				*6.4*		*98,156*	*97,141*
4 TOTAL	**1,015,243**	**3.1**	**8.1**	**4.8**	**0.8**	**2.4**	**5.4**				**2.4**		**154,021**	**154,140**

Table 21. EU CR9 – IRB approach – Back-testing of PD per exposure class (fixed PD scale)

a	b	c	d	e	f	g	h
		Number of obligors at the end of the year					
31 Dec 2021	PD range		*Of which number of obligors which defaulted in the year*	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
A-IRB Corporates – Other	0.00 to <0.15	2,279			0.07	0.07	
	0.00 to <0.10	*1,623*			*0.05*	*0.05*	
	0.10 to <0.15	*656*			*0.11*	*0.11*	
	0.15 to <0.25	1,825			0.19	0.20	0.0
	0.25 to <0.50	1,546			0.37	0.37	0.0
	0.50 to <0.75	1,032			0.58	0.60	0.1
	0.75 to <2.50	1,464			1.16	1.18	0.1
	0.75 to <1.75	*1,380*			*1.16*	*1.13*	*0.1*
	1.75 to <2.5	*84*			*1.84*	*2.07*	
	2.50 to <10.00	315	5	1.6	3.40	3.86	3.9
	2.5 to <5	*261*	*1*	*0.4*	*3.09*	*3.08*	*1.6*
	5 to <10	*54*	*4*	*7.4*	*8.00*	*7.95*	*10.7*
	10.00 to <100.00	49	3	6.1	18.99	17.11	11.0
	10 to <20	*22*			*11.00*	*12.32*	*5.5*
	20 to <30	*27*	*3*	*11.1*	*21.00*	*21.50*	*16.5*
	30.00 to <100.00						
	100.00 (Default)						
A-IRB Corporates – SME	0.00 to <0.15	1,184			0.09	0.11	0.0
	0.00 to <0.10	*585*			*0.05*	*0.08*	*0.0*
	0.10 to <0.15	*599*			*0.13*	*0.13*	
	0.15 to <0.25	2,817			0.20	0.20	0.0
	0.25 to <0.50	6,320	2	0.0	0.34	0.35	0.0
	0.50 to <0.75	5,308	5	0.1	0.60	0.63	0.1
	0.75 to <2.50	5,323	9	0.2	1.11	1.28	0.5
	0.75 to <1.75	*4,554*	*7*	*0.2*	*1.07*	*1.14*	*0.4*
	1.75 to <2.5	*769*	*2*	*0.3*	*2.08*	*2.11*	*0.4*
	2.50 to <10.00	548	3	0.5	4.12	5.33	2.0
	2.5 to <5	*361*	*3*	*0.8*	*3.36*	*4.13*	*1.0*
	5 to <10	*187*			*7.75*	*7.63*	*3.8*
	10.00 to <100.00	219	11	5.0	12.59	15.78	6.6
	10 to <20	*128*			*11.00*	*11.89*	*4.7*
	20 to <30	*91*	*11*	*12.1*	*21.01*	*22.00*	*9.6*
	30.00 to <100.00						
	100.00 (Default)						
A-IRB Corporates – Specialised lending	0.00 to <0.15	20			0.06	0.06	
	0.00 to <0.10	*14*			*0.03*	*0.04*	
	0.10 to <0.15	*6*			*0.11*	*0.11*	
	0.15 to <0.25	4			0.20	0.18	
	0.25 to <0.50	32			0.32	0.32	
	0.50 to <0.75	20			0.54	0.54	
	0.75 to <2.50	16			1.03	1.25	
	0.75 to <1.75	*16*			*1.03*	*1.25*	
	1.75 to <2.5						
	2.50 to <10.00	6			2.69	3.89	6.00
	2.5 to <5	*5*			*2.69*	*3.06*	
	5 to <10	*1*			*8.00*	*8.00*	*20.83*
	10.00 to <100.00						
	10 to <20						
	20 to <30						
	30.00 to <100.00						
	100.00 (Default)						
A-IRB Institutions	0.00 to <0.15	2,467			0.07	0.06	
	0.00 to <0.10	*2,190*			*0.06*	*0.05*	
	0.10 to <0.15	*277*			*0.12*	*0.13*	
	0.15 to <0.25	379			0.21	0.21	
	0.25 to <0.50	500			0.39	0.41	
	0.50 to <0.75	4			0.65	0.62	
	0.75 to <2.50	204			1.07	1.33	0.1
	0.75 to <1.75	*137*			*1.00*	*1.08*	
	1.75 to <2.5	*67*			*1.80*	*1.84*	*0.3*
	2.50 to <10.00	155			6.54	5.55	
	2.5 to <5	*88*			*3.62*	*3.69*	
	5 to <10	*67*			*8.00*	*8.00*	
	10.00 to <100.00	147			12.16	16.29	0.1
	10 to <20	*86*			*11.35*	*12.34*	
	20 to <30	*61*			*21.01*	*21.85*	*0.4*
	30.00 to <100.00						
	100.00 (Default)						

Table 21. EU CR9 – IRB approach – Back-testing of PD per exposure class (fixed PD scale)

a	b	c	d	e	f	g	h
		Number of obligors at the end of the year					
31 Dec 2021	PD range		*Of which number of obligors which defaulted in the year*	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
A-IRB Retail – Secured by immovable property non-SME	0.00 to <0.15	287,587	10	0.0	0.09	0.09	0.0
	0.00 to <0.10	287,587	10	0.0	0.09	0.09	0.0
	0.10 to <0.15						
	0.15 to <0.25	282,587	16	0.0	0.16	0.16	0.0
	0.25 to <0.50	217,186	55	0.0	0.30	0.31	0.0
	0.50 to <0.75	57,114	59	0.1	0.66	0.65	0.1
	0.75 to <2.50	27,699	62	0.2	1.31	1.36	0.3
	0.75 to <1.75	26,742	45	0.2	1.29	1.33	0.2
	1.75 to <2.5	957	17	1.8	2.00	2.00	2.5
	2.50 to <10.00	16,233	105	0.6	4.34	4.26	1.2
	2.5 to <5	12,437	60	0.5	3.37	3.45	0.6
	5 to <10	3,796	45	1.2	6.90	6.90	2.2
	10.00 to <100.00	8,077	378	4.7	23.24	23.82	7.1
	10 to <20	4,941	146	3.0	14.42	15.39	5.3
	20 to <30	843	27	3.2	20.00	20.00	5.7
	30.00 to <100.00	2,293	205	8.9	43.33	43.39	11.9
	100.00 (Default)						
A-IRB Retail – Secured by immovable property SME	0.00 to <0.15	754			0.09	0.09	0.1
	0.00 to <0.10	754			0.09	0.09	0.1
	0.10 to <0.15						
	0.15 to <0.25	1,018			0.16	0.16	0.1
	0.25 to <0.50	3,490	1	0.0	0.32	0.33	0.0
	0.50 to <0.75	729			0.64	0.63	0.1
	0.75 to <2.50	6,852	13	0.2	1.31	1.31	0.3
	0.75 to <1.75	6,056	1	0.0	1.13	1.20	0.2
	1.75 to <2.5	796	12	1.5	2.25	2.11	1.2
	2.50 to <10.00	1,195	18	1.5	4.87	5.06	1.8
	2.5 to <5	791	13	1.6	4.14	3.76	1.7
	5 to <10	404	5	1.2	7.49	7.62	2.1
	10.00 to <100.00	189	7	3.7	20.07	24.75	5.4
	10 to <20	117	5	4.3	13.25	13.30	4.0
	20 to <30	20			28.14	28.14	7.3
	30.00 to <100.00	52	2	3.8	52.65	49.20	7.9
	100.00 (Default)						
A-IRB Retail – Other non-SME	0.00 to <0.15	991,346	1,497	0.2	0.06	0.06	0.1
	0.00 to <0.10	642,190	1,120	0.2	0.03	0.03	0.1
	0.10 to <0.15	349,156	377	0.1	0.10	0.10	0.1
	0.15 to <0.25	83,212	178	0.2	0.17	0.18	0.2
	0.25 to <0.50	38,827	126	0.3	0.33	0.33	0.3
	0.50 to <0.75	285,594	2,640	0.9	0.68	0.69	0.9
	0.75 to <2.50	279,406	741	0.3	1.28	1.35	0.4
	0.75 to <1.75	220,106	553	0.3	1.22	1.18	0.3
	1.75 to <2.5	59,300	188	0.3	2.00	2.00	0.5
	2.50 to <10.00	101,793	2,748	2.7	3.94	4.33	3.3
	2.5 to <5	60,664	900	1.5	2.69	2.83	1.4
	5 to <10	41,129	1,848	4.5	6.86	6.53	6.0
	10.00 to <100.00	65,005	2,983	4.6	22.55	41.21	7.2
	10 to <20	12,452	1,302	10.5	15.86	15.92	13.3
	20 to <30	4,081	599	14.7	27.24	25.01	15.5
	30.00 to <100.00	48,472	1,082	2.2	40.71	49.08	3.7
	100.00 (Default)						
A-IRB Retail – Other SME	0.00 to <0.15	10,771	7	0.1	0.05	0.06	0.1
	0.00 to <0.10	10,718	7	0.1	0.05	0.06	0.1
	0.10 to <0.15	53		0.0	0.13	0.13	0.3
	0.15 to <0.25	702	1	0.1	0.15	0.15	0.3
	0.25 to <0.50	15,449	23	0.1	0.31	0.32	0.2
	0.50 to <0.75	16,841	37	0.2	0.58	0.57	0.2
	0.75 to <2.50	396,925	112	0.0	1.42	1.38	0.1
	0.75 to <1.75	381,046	56	0.0	1.15	1.35	0.2
	1.75 to <2.5	15,879	56	0.4	2.13	2.01	0.5
	2.50 to <10.00	22,240	146	0.7	5.22	6.53	0.9
	2.5 to <5	7,620	64	0.8	4.04	4.32	1.1
	5 to <10	14,620	82	0.6	7.93	7.69	0.8
	10.00 to <100.00	9,817	267	2.7	28.66	39.48	2.9
	10 to <20	903	58	6.4	13.43	14.35	7.3
	20 to <30	1,473	56	3.8	23.84	21.08	4.7
	30.00 to <100.00	7,441	153	2.1	48.67	46.17	2.1
	100.00 (Default)						

Table 21. EU CR9 – IRB approach – Back-testing of PD per exposure class (fixed PD scale)

a	b	c	d	e	f	g	h
		Number of obligors at the end of the year					
31 Dec 2021	PD range		*Of which number of obligors which defaulted in the year*	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
F-IRB Central governments and central banks	0.00 to <0.15	511			0.01	0.01	
	0.00 to <0.10	*507*			*0.01*	*0.01*	
	0.10 to <0.15	*4*			*0.14*	*0.11*	
	0.15 to <0.25	2			0.19	0.21	
	0.25 to <0.50	4			0.32	0.34	
	0.50 to <0.75						
	0.75 to <2.50	3			1.16	2.00	
	0.75 to <1.75				*1.16*		
	1.75 to <2.5	*3*			*1.83*	*2.00*	
	2.50 to <10.00	8			4.91	6.25	3.6
	2.5 to <5	*2*			*4.00*	*4.00*	
	5 to <10	*6*			*7.88*	*7.00*	5.0
	10.00 to <100.00	12			11.03	15.17	
	10 to <20	*7*			*11.00*	*11.00*	
	20 to <30	*5*			*21.00*	*21.00*	
	30.00 to <100.00						
	100.00 (Default)						
F-IRB Corporates – SME	0.00 to <0.15	17			0.09	0.08	
	0.00 to <0.10	*12*			*0.04*	*0.06*	
	0.10 to <0.15	*5*			*0.13*	*0.14*	
	0.15 to <0.25	67			0.20	0.20	
	0.25 to <0.50	165			0.37	0.40	0.0
	0.50 to <0.75	105			0.62	0.63	
	0.75 to <2.50	1,824			1.25	1.34	0.2
	0.75 to <1.75	*1,220*			*1.14*	*1.09*	*0.2*
	1.75 to <2.5	*604*			*1.89*	*1.85*	*0.4*
	2.50 to <10.00	304			4.43	3.84	1.5
	2.5 to <5	*261*			*3.45*	*3.29*	*1.3*
	5 to <10	*43*			*7.28*	*7.22*	*1.2*
	10.00 to <100.00	26	*4*	15.4	15.24	15.55	12.5
	10 to <20	*13*	*1*	*7.7*	*11.00*	*11.00*	*4.6*
	20 to <30	*13*	*3*	*23.1*	*21.00*	*21.00*	*27.8*
	30.00 to <100.00						
	100.00 (Default)						
F-IRB Corporates – Other	0.00 to <0.15	408	*1*	0.2	0.07	0.06	0.0
	0.00 to <0.10	*292*			*0.05*	*0.05*	
	0.10 to <0.15	116	*1*	*0.9*	*0.11*	*0.11*	*0.2*
	0.15 to <0.25	480			0.18	0.19	
	0.25 to <0.50	551			0.36	0.38	
	0.50 to <0.75	207			0.60	0.60	
	0.75 to <2.50	1,217	*1*	0.1	1.18	1.17	0.1
	0.75 to <1.75	*1,009*			*1.13*	*1.03*	*0.0*
	1.75 to <2.5	*208*	*1*	*0.5*	*1.97*	*1.85*	*0.5*
	2.50 to <10.00	148	*1*	0.7	4.14	3.71	2.6
	2.5 to <5	*131*	*1*	*0.8*	*3.24*	*3.19*	*2.8*
	5 to <10	*17*			*7.91*	*7.70*	
	10.00 to <100.00	8			16.69	14.63	9.6
	10 to <20	*6*			*11.01*	*11.17*	
	20 to <30	*2*			*21.00*	*25.00*	*25.0*
	30.00 to <100.00						
	100.00 (Default)						
F-IRB Corporates – Specialised Lending	0.00 to <0.15	3			0.09	0.07	
	0.00 to <0.10	*2*			*0.06*	*0.05*	
	0.10 to <0.15	*1*			*0.11*	*0.11*	
	0.15 to <0.25	5			0.18	0.17	
	0.25 to <0.50	13			0.35	0.36	
	0.50 to <0.75	3			0.54	0.54	
	0.75 to <2.50	8			1.41	1.39	
	0.75 to <1.75	*7*			*1.39*	*1.30*	
	1.75 to <2.5	*1*			*2.00*	*2.00*	
	2.50 to <10.00				4.58		
	2.5 to <5				*4.58*		
	5 to <10						
	10.00 to <100.00	4	*1*	25.0	24.73	21.67	13.3
	10 to <20	*2*	*1*	*50.0*	*15.00*	*15.00*	*10.0*
	20 to <30	*2*			*25.00*	*25.00*	*10.0*
	30.00 to <100.00						
	100.00 (Default)						

Table 21. EU CR9 – IRB approach – Back-testing of PD per exposure class (fixed PD scale)

a	b	c	d	e	f	g	h
		Number of obligors at the end of the year					
31 Dec 2021	PD range		*Of which number of obligors which defaulted in the year*	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
F-IRB Institutions	0.00 to <0.15	179			0.03	0.06	
	0.00 to <0.10	*158*			*0.03*	*0.05*	
	0.10 to <0.15	*21*			*0.13*	*0.12*	
	0.15 to <0.25	43			0.19	0.20	
	0.25 to <0.50	80			0.40	0.39	
	0.50 to <0.75	4			0.58	0.62	
	0.75 to <2.50	41			1.32	1.32	
	0.75 to <1.75	*37*			*1.32*	*1.26*	
	1.75 to <2.5	*4*			*1.83*	*1.88*	
	2.50 to <10.00	14			3.62	3.96	
	2.5 to <5	*14*			*3.47*	*3.96*	
	5 to <10				*8.00*		
	10.00 to <100.00	4			11.81	11.50	5.7
	10 to <20	*4*			*11.81*	*11.50*	
	20 to <30						
	30.00 to <100.00						
	100.00 (Default)						

Equity exposures not included in the trading book

Investments in associates held by SEB's venture capital unit have been designated as at fair value through profit or loss, in accordance with IAS 28. Therefore, these holdings are measured according to IFRS 9. All financial assets within SEB's venture capital business are managed and 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 are substantially the same, or valuation with reference to observable market transactions in the same financial instrument.

Strategic investments in associates on group level are accounted for using the equity method. Some entities where SEB has an ownership of less than 20 per cent have been classified as investments in associates. The reason is that the group is represented in the board of directors and participating in the policy-making processes of those entities.

Equity instruments measured at cost do not have a quoted market price in an active market. Furthermore, it has not been possible to reliably measure the fair values of those equity instruments. Most of these investments are held for strategic reasons and are not intended to be sold in the near future.

→ Further information regarding accounting principles and valuation methodologies can be found in the Annual Report note 1 and note 36. Further information regarding SEB's investments in associates can be found in the Annual Report note 22.

Table 22. Equity exposures not included in the trading book

SEK m **31 Dec 2021**	Book value	Fair value	Fair value of listed shares	Unrealised gains/losses	Realised gains/losses
Associates (venture capital holdings)	702	702	23	–7	48
Associates (strategic investments)	669	669		–11	
Other strategic investments	7,168	7,168	994	703	467
Seized shares					
TOTAL	**8,539**	**8,539**	**1,017**	**685**	**515**

SEK m **31 Dec 2020**	Book value	Fair value	Fair value of listed shares	Unrealised gains/losses	Realised gains/losses
Associates (venture capital holdings)	586	586	60	228	–178
Associates (strategic investments)	548	548			
Other strategic investments	5,676	5,676	1,076	467	–14
Seized shares	104	104			
TOTAL	**6,914**	**6,914**	**1,137**	**695**	**–192**

Counterparty credit risk

Management of counterparty credit risk

Counterparty credit risk arises when SEB enters into derivative contracts with a counterparty for instruments like futures, swaps or options. The purpose for entering into derivatives contracts is primarily to support corporate customers and financial institutions in their management of financial exposures. This is managed within LC&FI. The treasury function also uses derivatives to protect cash flows and fair values of financial assets and liabilities in SEB's own book from market fluctuations. The counterparty credit risk in derivatives contracts is the risk of a counterparty not living up to its contractual obligations where SEB has a claim on the counterparty.

Limits for counterparty exposures are set in the regular credit process. The risk organisation identifies, measures, reports and follows up on SEB's counterparty credit risk. The risk is measured daily and reported monthly to the GRC and the RCC of the Board. Counterparty credit risk is monitored through a number of risk measures, including potential future exposure (PFE), nominal, tenor and settlement exposure measures. In addition, stress tests and sensitivity analyses are conducted to estimate effects of tail events, to stress test limits and understand sensitivities in the portfolio.

Wrong way risk (WWR) arises when exposure to a counterparty is negatively correlated with the counterparty's credit quality. There are two types of WWR; general and specific WWR. SEB has processes in place to identify and monitor counterparties and transactions where the WWR is inherent. Specific WWR is considered in the credit review process and is measured daily.

Settlement risk is measured for foreign exchange (FX) transactions. The amount at risk is equal to the FX settlement amount. FX settlement risk is taken into account by all decision-making bodies that decide on counterparty limits for instruments which imply FX settlement risk. FX settlement limits are in place for all counterparties trading in instruments with FX settlement risk.

Measurement of counterparty credit risk

Since the market value of a derivative fluctuates during the term to maturity, the uncertainty of future market conditions must be taken into account when measuring the credit exposure of derivatives. For risk management purposes, the PFE is calculated either through simulation using an internal model method or by applying a standard add-on to the current market value. The add-on depends on product type and time to maturity which reflects potential market movements for the specific contract.

For calculation of regulatory capital for counterparty credit risk, SEB uses the internal model method (IMM) for repos, interest rate derivatives and FX derivatives for the parent company, which was approved by the Swedish FSA in December 2015. The internal model method takes close-out netting agreements and collateral agreements into account. The setup of the internal model automatically detects specific wrong-way risk transactions and collateral, the exposures of which are calculated gross. The internal models are regularly validated and back-tested.

For other derivatives (mainly equities) in the parent company and for other legal entities of the group, SEB uses the standardised approach. SEB currently uses the Standardised Approach to Counterparty Credit Risk (SA-CCR), which replaced the Current Exposure Method (CEM) in June 2021.

Table 23. EU CCR1 – Analysis of CCR exposure by approach

SEK m	a	b	c	d	e	f	g	h
31 Dec 2021	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
1 SA-CCR (for derivatives)	6,544	8,753		1.4	20,415	20,415	20,415	2,874
2 IMM (for derivatives and SFTs)			87,333	1.4	120,863	120,863	120,863	14,756
2a *Of which securities financing transactions netting sets*			*24,984*		*34,978*	*34,978*	*34,978*	*44*
2b *Of which derivatives and long settlement transactions netting sets*			*62,349*		*85,885*	*85,885*	*85,885*	*14,712*
4 Financial collateral comprehensive method (for SFTs)					49,428	49,428	49,428	4,225
6 **TOTAL**					**190,706**	**190,706**	**190,706**	**21,854**

SEK m	a	b	c	d	e	f	g	h
30 Jun 2021	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
1 SA-CCR (for derivatives)	5,833	11,462		1.4	23,658	23,658	23,251	4,120
2 IMM (for derivatives and SFTs)			78,965	1.4	109,481	109,481	109,749	15,155
2a *Of which securities financing transactions netting sets*			*19,945*		*27,923*	*27,923*	*27,923*	*25*
2b *Of which derivatives and long settlement transactions netting sets*			*59,020*		*81,558*	*81,558*	*81,826*	*15,130*
4 Financial collateral comprehensive method (for SFTs)					32,315	32,315	32,336	3,140
6 **TOTAL**					**165,454**	**165,454**	**165,336**	**22,415**

Counterparty credit risk in derivative contracts affects SEB's profit and loss through credit/debit valuation adjustments (CVA/ DVA), reflecting the credit risk associated with the derivative positions. These adjustments depend on market risk factors such as interest rate, FX and credit spreads. SEB uses the standardised approach to calculate the regulatory capital requirement for CVA.

Table 24. EU CCR2 – Transactions subject to own funds requirements for CVA risk

SEK m	31 Dec 2021		30 Jun 2021	
	Exposure value	RWAs	Exposure value	RWAs
1 Total transactions subject to the Advanced method				
2 (i) VaR component (including the 3× multiplier)				
3 (ii) stressed VaR component (including the 3× multiplier)				
4 Transactions subject to the Standardised method	50,131	9,493	51,775	10,008
EU-4 Transactions subject to the Alternative approach (Based on the Original Exposure Method)				
5 TOTAL TRANSACTIONS SUBJECT TO OWN FUNDS REQUIREMENTS FOR CVA RISK	**50,131**	**9,493**	**51,775**	**10,008**

Table 25. EU CCR3 – Standardised approach – CCR exposures by regulatory portfolio and risk weights

SEK m	Risk weight					
31 Dec 2021	2%	20%	50%	75%	100%	Total
6 Institutions	4,655	0	0			4,655
7 Corporates					248	248
8 Retail				1		1
11 TOTAL	**4,655**	**0**	**0**	**1**	**248**	**4,904**

SEK m	Risk weight					
30 Jun 2021	2%	20%	50%	75%	100%	Total
6 Institutions	5,429					5,429
7 Corporates					323	323
8 Retail				1		1
11 TOTAL	**5,429**			**1**	**323**	**5,753**

Table 26. EU CCR4 – IRB approach – CCR exposures by exposure class and PD scale

SEK m		a	b	c	d	e	f	g	a	b	c	d	e	f	g
		31 Dec 2021							30 Jun 2021						
	PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amount	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amount
A-IRB Institutions	0.00 to <0.15	60,889	0.04	1,038	39.3	1.1	6,574	10.8	59,046	0.05	1,015	39.0	1.1	6,861	11.6
	0.15 to <0.25	1,443	0.21	93	40.6	0.5	379	26.3	2,070	0.21	106	41.0	0.8	637	30.8
	0.25 to <0.50	4,069	0.37	188	40.8	0.4	1,547	38.0	3,887	0.37	177	40.8	0.6	1,559	40.1
	0.50 to <0.75	2	0.65	1	37.0	1.0	1	52.2	26	0.65	3	43.9	1.0	20	77.0
	0.75 to <2.50	351	1.07	36	42.8	1.2	290	82.6	540	1.12	35	41.2	1.2	439	81.3
	2.50 to <10.00	143	3.70	1	41.0	0.1	148	103.8	111	3.70	2	41.0	0.1	115	103.4
	10.00 to <100.00	0	11.00	1	56.0	1.0	0	280.6	0	11.00	1	56.0	1.0	0	280.6
	100.00 (Default)														
	Sub-total	**66,896**	**0.08**	**1,358**	**39.4**	**1.0**	**8,939**	**13.4**	**65,680**	**0.09**	**1,339**	**39.2**	**1.1**	**9,631**	**14.7**
A-IRB Corporates – SME	0.00 to <0.15	1,276	0.05	52	36.1	1.0	88	6.9	904	0.06	54	37.1	0.9	62	6.9
	0.15 to <0.25	197	0.22	71	33.6	1.6	38	19.2	127	0.20	56	24.7	2.3	20	15.7
	0.25 to <0.50	240	0.36	101	41.4	1.2	74	31.0	209	0.35	99	39.7	1.5	63	30.1
	0.50 to <0.75	823	0.55	97	16.4	2.7	188	22.9	401	0.58	121	20.3	2.8	105	26.3
	0.75 to <2.50	246	1.22	87	34.2	1.9	122	49.7	190	1.07	98	44.0	2.9	131	69.2
	2.50 to <10.00	29	4.34	73	40.3	1.0	25	86.7	58	3.99	75	40.8	0.9	49	83.2
	10.00 to <100.00														
	100.00 (Default)														
	Sub-total	**2,812**	**0.38**	**481**	**30.5**	**1.7**	**535**	**19.0**	**1,889**	**0.43**	**503**	**33.8**	**1.6**	**431**	**22.8**
A-IRB Corporates – Other	0.00 to <0.15	42,405	0.06	514	27.4	1.8	4,604	10.9	36,489	0.06	523	29.1	2.0	4,538	12.4
	0.15 to <0.25	5,840	0.19	221	31.5	1.6	1,458	25.0	5,672	0.20	225	31.5	1.8	1,529	26.9
	0.25 to <0.50	3,646	0.39	139	29.7	2.0	1,441	39.5	2,960	0.39	132	30.4	2.3	1,245	42.1
	0.50 to <0.75	1,389	0.57	114	32.3	2.8	757	54.5	1,717	0.56	117	31.7	2.9	974	56.7
	0.75 to <2.50	1,075	1.17	135	26.7	2.1	568	52.8	1,521	1.22	167	21.8	2.2	664	43.6
	2.50 to <10.00	590	3.97	40	23.5	1.3	371	62.9	276	3.38	44	43.0	1.2	309	112.0
	10.00 to <100.00	26	21.00	1	31.0	0.6	43	161.8	5	11.00	1	31.0	0.9	6	132.6
	100.00 (Default)								11	100.00	1	31.0	1.0	44	387.5
	Sub-total	**54,972**	**0.18**	**1,164**	**28.1**	**1.8**	**9,242**	**16.8**	**48,652**	**0.19**	**1,210**	**29.4**	**2.0**	**9,308**	**19.1**
A-IRB Corporates – Specialised Lending	0.00 to <0.15	629	0.06	5	22.3	4.3	98	15.5	974	0.05	6	20.3	4.8	143	14.7
	0.15 to <0.25	66	0.20	6	20.4	3.4	16	24.3	78	0.18	5	20.6	4.3	22	27.8
	0.25 to <0.50	454	0.32	20	22.3	4.7	187	41.2	807	0.32	20	23.2	4.7	333	41.2
	0.50 to <0.75	363	0.54	14	27.0	4.7	207	57.1	242	0.54	15	28.7	3.9	136	56.3
	0.75 to <2.50	400	0.93	9	20.5	1.3	148	36.9	425	0.93	7	20.5	1.7	164	38.6
	2.50 to <10.00	17	4.58	1	26.0	2.4	12	69.5	21	2.69	1	26.0	2.6	13	61.0
	10.00 to <100.00														
	100.00 (Default)														
	Sub-total	**1,929**	**0.44**	**55**	**22.8**	**3.8**	**667**	**34.6**	**2,547**	**0.36**	**54**	**22.1**	**4.1**	**810**	**31.8**

Table 26. EU CCR4 – IRB approach – CCR exposures by exposure class and PD scale

SEK m		a	b	c	d	e	f	g	a	b	c	d	e	f	g
		31 Dec 2021							30 Jun 2021						
	PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amount	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amount
A-IRB Retail – Other SME	0.00 to <0.15														
	0.15 to <0.25														
	0.25 to <0.50														
	0.50 to <0.75														
	0.75 to <2.50	0	0.95	3	34.4	0.0	0	27.6	0	0.95	1	34.3	0.0	0	27.5
	2.50 to <10.00	1	7.00	11	57.3	0.0	0	71.2	0	7.00	4	57.3	0.0	0	75.3
	10.00 to <100.00														
	100.00 (Default)														
	Sub-total	**1**	**6.96**	**14**	**57.1**	**0.0**	**0**	**70.9**	**0**	**6.87**	**4**	**56.8**	**0.0**	**0**	**74.3**
A-IRB Retail – Other non-SME	0.00 to <0.15														
	0.15 to <0.25														
	0.25 to <0.50														
	0.50 to <0.75														
	0.75 to <2.50														
	2.50 to <10.00	0	2.50	27	26.0	0.0	0	37.3	0	2.50	21	25.2	0.0	0	36.2
	10.00 to <100.00														
	100.00 (Default)														
	Sub-total	**0**	**2.50**	**27**	**26.0**	**0.0**	**0**	**37.3**	**0**	**2.5**	**21**	**25.2**	**0.0**	**0**	**36.2**
F-IRB Central governments and central banks	0.00 to <0.15	53,481	0.01	132	45.0	1.0	946	1.8	41,314	0.00	143	44.6	1.1	707	1.7
	0.15 to <0.25														
	0.25 to <0.50														
	0.50 to <0.75														
	0.75 to <2.50														
	2.50 to <10.00	11	6.00	1	45.0	2.5	18	169.2	16	6.00	1	45.0	2.5	27	169.2
	10.00 to <100.00														
	100.00 (Default)														
	Sub-total	**53,492**	**0.01**	**133**	**45.0**	**1.0**	**965**	**1.8**	**41,330**	**0.01**	**144**	**44.6**	**1.1**	**734**	**1.8**
F-IRB Institutions	0.00 to <0.15	6,426	0.03	76	1.1	2.0	34	0.5	2,098	0.03	47	3.6	2.5	41	2.0
	0.15 to <0.25	741	0.21	12	14.8	2.0	117	15.8	301	0.21	11	44.7	2.5	146	48.3
	0.25 to <0.50	30	0.38	7	14.4	2.0	6	19.6	22	0.38	10	31.2	2.2	10	42.8
	0.50 to <0.75	10	0.59	2	45.0	2.0	8	79.5	11	0.59	2	45.0	2.5	9	79.5
	0.75 to <2.50	33	1.34	4	43.6	2.0	39	117.0	35	1.34	6	43.8	2.5	42	120.7
	2.50 to <10.00														
	10.00 to <100.00														
	100.00 (Default)														
	Sub-total	**7,240**	**0.08**	**101**	**2.8**	**2.0**	**204**	**2.8**	**2,468**	**0.08**	**76**	**9.7**	**2.5**	**248**	**10.0**
F-IRB Corporates – SME	0.00 to <0.15	0	0.09	1	45.0	2.0	0	17.7	1	0.07	2	45.0	2.5	0	23.0
	0.15 to <0.25								6	0.21	3	41.9	2.5	2	31.7
	0.25 to <0.50								2	0.31	1	45.0	2.5	1	39.5
	0.50 to <0.75														
	0.75 to <2.50	88	1.32	50	39.7	2.0	56	63.9	71	1.28	45	38.5	2.2	44	62.1
	2.50 to <10.00	0	2.85	2	45.0	2.0	0	89.6	0	2.85	2	45.0	2.5	0	86.4
	10.00 to <100.00														
	100.00 (Default)														
	Sub-total	**88**	**1.32**	**53**	**39.7**	**2.0**	**56**	**63.9**	**80**	**1.17**	**53**	**39.0**	**2.3**	**47**	**58.9**
F-IRB Corporates – Other	0.00 to <0.15	1,977	0.05	47	45.0	2.0	411	20.8	1,350	0.05	42	45.0	2.5	284	21.1
	0.15 to <0.25	656	0.17	47	44.9	2.0	279	42.5	489	0.16	50	44.9	2.5	204	41.6
	0.25 to <0.50	76	0.37	31	45.0	2.0	49	64.3	200	0.38	25	45.0	2.5	119	59.7
	0.50 to <0.75	26	0.59	11	45.0	2.0	17	64.8	21	0.60	14	45.0	2.5	14	68.7
	0.75 to <2.50	233	1.07	44	45.0	2.0	226	97.0	234	1.04	42	45.0	2.5	226	96.4
	2.50 to <10.00	4	3.49	5	24.9	2.0	3	75.6	3	2.85	1	45.0	2.5	4	134.2
	10.00 to <100.00														
	100.00 (Default)								0	100.00	1	45.0	2.5		0.0
	Sub-total	**2,972**	**0.18**	**185**	**45.0**	**2.0**	**985**	**33.1**	**2,297**	**0.22**	**175**	**45.0**	**2.5**	**851**	**37.1**
F-IRB Corporates – Specialised Lending	0.00 to <0.15														
	0.15 to <0.25	17	0.15	1	45.0	2.0	5	32.1	19	0.15	1	45.0	2.5	8	39.7
	0.25 to <0.50	1	0.43	2	45.0	2.0	1	68.8	2	0.43	3	44.7	2.5	2	68.3
	0.50 to <0.75	30	0.54	2		2.0		0.0	34	0.54	1		2.5		0.0
	0.75 to <2.50														
	2.50 to <10.00														
	10.00 to <100.00	10	25.00	1	45.0	2.0	26	261.4	12	12.00	1	45.0	2.5	27	218.5
	100.00 (Default)														
	Sub-total	**58**	**4.61**	**6**	**21.8**	**2.0**	**32**	**55.6**	**68**	**2.50**	**6**	**22.3**	**2.5**	**36**	**53.1**
TOTAL (all CCR relevant exposure classes)		**190,459**	**2.31**	**3,577**	**34.8**	**1.9**	**21,626**	**11.4**	**165,012**	**5.36**	**3,585**	**37.0**	**2.0**	**22,098**	**13.4**

Netting and collateral management

Counterparty risk in derivatives 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. The netting agreement is often supplemented with a collateral agreement where the net market value exposure is reduced further by collateralisation.

Netting and collateral agreements can contain rating triggers. SEB has a restrictive policy in respect of rating-based levels for thresholds and minimum transfer amounts. In addition, asymmetrical rating trigger levels require specific approval from a deviation committee. Rating-based thresholds are only accepted for a restricted number of counterparties, hence if SEB was to be downgraded, the impact would be limited. In the event of a downgrade, SEB would need to post additional collateral of approximately SEK 1,819m for a one-notch downgrade and approximately SEK 9,013m for a two-notch downgrade.

Furthermore, as a general rule, rating triggered termination events are not accepted.

Counterparty credit risk can also be mitigated by steering exposure and risks to clearing houses, which is common for a range of products to reduce bilateral counterparty credit risk. Risk can also be closed out through various portfolio compression activities. A small part of the counterparty credit risk exposure is reduced by credit derivatives. SEB conducts credit derivative transactions primarily in connection with counterparty risk and mainly trades with counterparties where an ISDA CSA agreement has been established. Rather than using credit derivatives to mitigate counterparty credit risk in its trading operations, SEB prefers to make use of collateral arrangements.

SEB mitigates settlement risk through Delivery-vs-Payment (DVP) or Payment-vs-Payment (PVP) arrangements when possible. One such settlement vehicle is the global FX clearing that is conducted through CLS Group (originally Continuous Linked Settlement), where SEB is a member. They eliminate settlement risk in FX transactions with counterparties that are eligible for CLS clearing.

Table 27. EU CCR5 – Composition of collateral for CCR exposures

SEK m		a	b	c	d	e	f	g	h
31 Dec 2021		Collateral used in derivative transactions				Collateral used in SFTs			
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
Collateral type		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	29	7,448		8,235	238	2,223		852
2	Cash – other currencies	1,488	47,215		35,378		30,878		37,556
3	Domestic sovereign debt	11	5,340	3,507	132		26,306		8,653
4	Other sovereign debt	9,564	12,253	13,945	1,796		45,383		19,522
5	Government agency debt								
6	Corporate bonds		369				1,210		23
7	Equity securities	2,815	1,065	6,938		9,879	95,061		110,791
8	Other collateral	1,871	20,596	18,551	281		51,154		29,987
9	**TOTAL**	**15,777**	**94,286**	**42,941**	**45,822**	**10,117**	**252,215**		**207,384**

SEK m		a	b	c	d	e	f	g	h
30 Jun 2021		Collateral used in derivative transactions				Collateral used in SFTs			
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
Collateral type		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	32	9,209		2,715	215	3,300		723
2	Cash – other currencies	291	42,536		33,898	1	14,650		45,668
3	Domestic sovereign debt	24	4,481	3,904			38,804		27,939
4	Other sovereign debt	6,711	9,446	12,616	2,235		43,462		7,258
5	Government agency debt								
6	Corporate bonds	107	284				3,546		462
7	Equity securities	1,955	1,537	3,528		9,267	88,406		61,814
8	Other collateral	452	18,461	19,160	156		90,551		47,722
9	**TOTAL**	**9,573**	**85,953**	**39,207**	**39,005**	**9,483**	**282,719**		**191,586**

Table 28. EU CCR6 – Credit derivatives exposures

SEK m	a	b	a	b
	31 Dec 2021		30 Jun 2021	
Collateral type	Protection bought	Protection sold	Protection bought	Protection sold
Notionals				
1 Single-name credit default swaps	636	702	1,226	1,236
2 Index credit default swaps	1,022	175	4,284	1,982
3 Total return swaps				
4 Credit options				
5 Other credit derivatives				
6 **Total notionals**	**1,658**	**877**	**5,510**	**3,218**
Fair values				
7 *Positive fair value (asset)*	*12*	*43*	*12*	*185*
8 *Negative fair value (liability)*	*–125*		*–362*	*–1*

Table 29. EU CCR8 – Exposures to CCPs

SEK m	a	b	a	b
	31 Dec 2021		30 Jun 2021	
	Exposure value	RWEA	Exposure value	RWEA
1 **Exposures to QCCPs (total)**		**646**		**665**
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	1,775	36	4,270	87
3 (i) OTC derivatives	801	16	774	17
4 (ii) Exchange-traded derivatives	974	19	3,469	69
5 (iii) SFTs	1	0	27	1
6 (iv) Netting sets where cross-product netting has been approved				
7 Segregated initial margin	4,852		5,527	
8 Non-segregated initial margin	5,674	113	4,640	93
9 Prefunded default fund contributions	2,783	497	4,882	485
10 Unfunded default fund contributions				
11 **Exposures to non-QCCPs (total)**				
12 Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which				
13 (i) OTC derivatives				
14 (ii) Exchange-traded derivatives				
15 (iii) SFTs				
16 (iv) Netting sets where cross-product netting has been approved				
17 Segregated initial margin				
18 Non-segregated initial margin				
19 Prefunded default fund contributions				
20 Unfunded default fund contributions				

Securitisations

SEB does not regularly securitise its assets and has no outstanding own issues. In addition, the group does not operate any Asset Backed Commercial Paper (ABCP) conduit or similar structure. SEB provides financing to certain clients through a small number of asset-backed transactions, backed by consumer loans and lease receivables. The transactions are funded on balance by SEB with commitments between one and three years.

The securitisation positions are accounted for as loans and receivables and reported according to the external ratings-based approach for capital adequacy purposes. In some transactions, SEB acts as hedge counterparty with back-to-back transactions to the originators. The transactions are backed by granular pools of receivables to individuals and/or businesses. There are no credit default swap hedges. All holdings are performing and amortise according to schedule. Stress tests are performed on a monthly basis, taking underlying levels of the positions into consideration.

Table 30. EU SEC1 – Securitisation exposures in the non-trading book

SEK m	l	m	o
	Institution acts as investor		
	Traditional		
31 Dec 2021	STS	Non-STS	Sub-total
Total exposures	**7,673**	**4,051**	**11,724**
Retail (total)		3,181	3,181
of which other retail exposures		*3,181*	*3,181*
Wholesale (total)	7,673	871	8,543
of which lease and receivables	*7,673*	*871*	*8,543*

SEK m	l	m	o
	Institution acts as investor		
	Traditional		
30 Jun 2021	STS	Non-STS	Sub-total
Total exposures	**7,032**	**4,057**	**11,089**
Retail (total)		3,072	3,072
of which other retail exposures		*3,072*	*3,072*
Wholesale (total)	7,032	985	8,017
of which lease and receivables	*7,032*	*985*	*8,017*

COMMENT

- *SEB's securitisation exposure was largely unchanged during the period and amounted to SEK 11.7bn as at 31 December 2021, of which the majority was AAA-rated exposures.*

Table 31. EU SEC4 – Securitisation exposures in the non-trading book and associated regulatory capital requirements

SEK m				Exposure values (by RW bands/deductions)			Exposure values (by regulatory approach)	RWEA (by regulatory approach)	Capital charge after cap
31 Dec 2021				<20	20–50	50–100	Securitisation – SEC ERBA	Securitisation – SEC ERBA	Securitisation – SEC ERBA
Total exposures				**9,955**	**1,331**	**438**	**11,724**	**1,976**	**158**
Traditional securitisations	Securitisation	Retail (total)	Non-STS	2,744		437	3,181	787	63
		Wholesale (total)	Non-STS	869		1	871	131	10
			STS	6,341	1,331		7,673	1,058	85

SEK m				Exposure values (by RW bands/deductions)			Exposure values (by regulatory approach)	RWEA (by regulatory approach)	Capital charge after cap
30 Jun 2021				<20	20–50	50–100	Securitisation – SEC ERBA	Securitisation – SEC ERBA	Securitisation – SEC ERBA
Total exposures				**9,182**	**1,249**	**658**	**11,089**	**1,967**	**157**
Traditional securitisations	Securitisation	Retail (total)	Non-STS	2,650		422	3,072	753	60
		Wholesale (total)	Non-STS	749		236	985	240	19
			STS	5,783	1,249		7,032	974	78

Market risk

Market risk is the risk of losses in on- and off-balance sheet positions 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.

Risk management

A clear distinction is made between market risks related to trading activity, 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 held 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.

Market risk in the trading book arises from SEB's customer driven trading activities and funding and liquidity management activities within the treasury function. The trading activities are performed by the Large Corporate & Financial Institutions (LC&FI) division in its capacity as market maker for trading in foreign exchange, equity and capital markets.

Market risk also arises in the form of interest rate risk in the banking book as a result of mismatches in currencies, interest terms and interest rate periods on the balance sheet. The treasury function has the overall responsibility for managing these risks, which are consolidated centrally through the internal funds transfer pricing system. The interest rate risk in the banking book is managed using fixed income securities and interest rate derivatives as hedge products.

Small market risk mandates are granted to subsidiaries where cost-efficient, in which case the treasury function is represented on the local Asset and Liability Committee (ALCO) for co-ordination and information-sharing. The centralised treasury operations create a cost-efficient matching of liquidity and interest rate risk in all non-trading related business. The treasury function also manages the liquidity portfolio, which is part of SEB's liquid assets. From a capital adequacy perspective, this portfolio is, as at 1 January 2018, categorised as assets in the banking book while from a risk management perspective, it is monitored as a trading related market risk.

Finally, market risk also arises in the bank's traditional life insurance activities and in the defined benefit plans as a result of mismatches between the market value of assets and liabilities. Market risks in the life insurance business and pension obligations are considered insurance risk and pension risk, respectively, and are not included in the market risk figures presented further below.

Market risk limits and control

A market risk framework is in place to ensure proper oversight of all types of market risks, including both the trading-related risks, the market risk in the banking book and the market risk related to fair value adjustments. The Board of Directors defines the level of acceptable market risk by setting overall market risk limits and general instructions. The limits are based on recommendations from the Board's Risk and Capital Committee (RCC), upon proposals made by the CRO. The Group Risk Committee (GRC) delegates the market risk mandate set by the Board of Directors to the divisions and treasury function which, in turn, further delegate the limits

Market risk types

Interest rate risk: Interest rate risk is the risk of loss or reduction of future net income following changes in interest rates, including price risk in connection with the sale of assets or closing of positions. SEB uses VaR, Delta 1% and Pillar 2 stress test scenarios defined by the EBA (also used by the Swedish FSA).

Net interest income (NII) risk: The NII risk depends on the overall business profile, particularly mismatches between interest-bearing assets and liabilities in terms of volumes and repricing periods. The NII risk is also exposed to a so-called "floor" risk. Asymmetries in product pricing create a margin squeeze in times of low interest rates, making it relevant to analyse both upward and downward changes. SEB uses internally defined stress test scenarios reflecting stressed market conditions to measure and limit NII risk.

Credit spread risk: Credit spread risk is the risk of loss or reduction of future net income following changes in credit spreads, including price risk in connection with the sale of assets or closing of positions. As opposed to credit risk, which applies to all credit exposures, only assets that are marked to market are exposed to credit spread risk. Credit spread risk is measured by Value-at-Risk (VaR).

Foreign exchange (FX) or currency risk: FX risk arises both through SEB's FX trading and through its operations in various currencies. While FX trading positions are measured and managed within the overall VaR framework, the group measures and manages the structural FX risk inherent in the structure of the balance sheet and earnings separately. FX risk is monitored and limited using single and aggregated FX measures and VaR.

Equity price risk: Equity price risk arises in connection with market making and trading in equities and related instruments. VaR is the main risk measure for equity price risk, complemented with sensitivi ties for derivative positions.

Commodity price risk: Commodity risk is the risk associated to the movements of commodity prices including cost of closing out the positions, and arises in customer-driven trading in commodities. Commodity price risk is measured by VaR.

Volatility risk: Volatility risk is defined as the risk of a negative financial outcome due to changes in the implied volatility. The price of an option contract is dependent on the estimate of future volatility of the underlying asset as quoted in the market, i.e., implied volatility. Volatility risk is measured by VaR.

Inflation risk: Inflation risk is the risk of losses in inflation-linked products due to changes in inflation.

Market liquidity risk: Market liquidity risk is the risk of loss in connection with the sale of assets or closing of positions due to bid-ask spread widening.

Credit value adjustment (CVA) risk: CVA arises from variations in the counterparty credit risk based on the expected future exposure. CVA is fundamentally credit risk, but the exposure is calculated using market risk drivers. Main risk drivers include credit spreads, interest rates and currency.

internally. The Board of Directors has decided on a number of key risk measures to limit the total market risk exposure: Value-at-Risk (VaR), Delta 1%, Aggregated FX and stop-loss limits, maximum losses in stress tests (historical and forward-looking) and valuation uncertainty in fair value positions for capital.

Within the divisions and the treasury function, limits are also imposed on different positions and sensitivity measures and stress tests are conducted as appropriate.

The risk organisation measures, follows up and reports on the market risk taken by the various units within the group on a daily basis. The risk control function is present in the trading room and monitors limit compliance and market prices at closing, as well as valuation standards and the introduction of new products.

Market risks are reported on a monthly basis to the GRC and the RCC. The risk organisation independently verifies prices and the valuation of positions held at fair value and calculates the prudent valuation capital buffers. Prudent valuation capital adjustments are taken across all fair value balances.

Measurement of market risk

When assessing the market risk exposure, SEB uses measures that capture losses under 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, and the results are assessed based on judgment and experience. Adaptation of the market risk models with regards to the ongoing Interest Rate Benchmark reform and the fallback to the alternative risk-free reference rates has started, and will continue during the forthcoming years.

VaR and Stressed VaR

VaR expresses the maximum potential loss that could arise during a certain time period with a given degree of probability. SEB uses a historical simulation VaR model with a ten-day time horizon and 99 per cent confidence interval to measure, limit and report VaR. The model aggregates market risk exposures for all risk types and covers a wide range of risk factors in all asset classes. SEB also uses a stressed VaR measure (SVaR), where VaR calculations for the current portfolio are performed using market data from a historic, turbulent time period covering the Lehman Brothers default (April 2008–April 2009). In the day-to-day risk management of trading positions, limits and exposures are also followed up with a one-day time horizon.

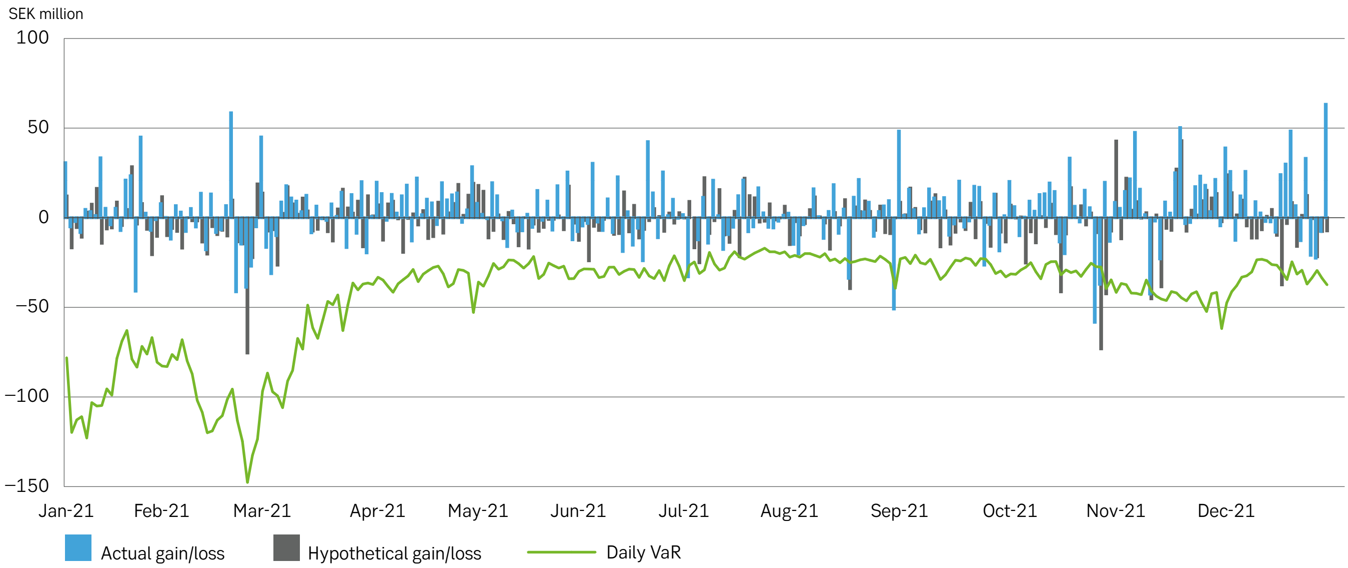
A limitation of the VaR model is that it uses historical data to estimate potential market changes. As such, it may not predict all outcomes, especially in a rapidly changing market. Also, VaR does not take into account any risk mitigating actions as the model assumes that the portfolio is unchanged.

Back-testing of the regulatory VaR model

To verify and assure the model's accuracy, the VaR model is back-tested on a daily basis by comparing the last 250 daily VaR estimates with the profit or loss for the corresponding days.

Back-testing is used to verify that actual losses do not exceed the VaR level in more than one per cent of the trading days in line with the model confidence level. The daily theoretical result is calculated from end-of-day positions using full revaluation and updated market data. Back-testing is performed on desk level as well as on aggregated level.

Table 32. **EU MR4 – Comparison of VaR estimates with gains/losses**



The actual gains/losses is the clean P&L i.e. excluding fees, commissions, and net interest income and do not contain reserves.

COMMENT

- *During 2021, SEB had six breaches in the hypothetical back-testing, all of them related to the increased market volatility during the fourth quarter of the year.*

Table 33. Trading book VaR and Stressed VaR

SEK m	Value at Risk (99 per cent, ten days)					Stressed Value at Risk (99 per cent, ten days)				
	Min	Max	31 Dec 2021	Average 2021	Average 2020	Min	Max	31 Dec 2021	Average 2021	Average 2020
Commodities risk	36	173	67	57	72	25	157	105	70	43
Credit spread risk	18	150	18	55	78	97	484	97	341	217
Equity risk	7	87	12	25	43	21	288	63	82	78
Foreign exchange risk	6	145	27	27	29	19	373	61	70	53
Interest rate risk	33	324	70	104	187	390	880	425	568	472
Volatilities risk	7	28	15	14	13	8	77	32	33	14
Diversification			−90	−143	−195			−301	−607	−453
TOTAL	**57**	**471**	**119**	**139**	**228**	**357**	**1,005**	**483**	**556**	**424**

COMMENT
- *In 2021, the 10-day VaR in SEB's trading-related activities averaged SEK 139m, compared to SEK 228m in 2020.*

Table 34. Banking book VaR

SEK m	Value at Risk (99 per cent, ten days)				
	Min	Max	31 Dec 2021	Average 2021	Average 2020
Credit spread risk	16	145	17	47	160
Equity price risk	31	82	39	45	96
Foreign exchange rate risk		45	1	8	1
Interest rate risk	72	246	132	117	259
Diversification			−62	−54	−71
TOTAL	**85**	**440**	**128**	**163**	**444**

COMMENT
- *The average banking book VaR decreased from SEK 444m in 2020 to SEK 163m in 2021. For both the trading and banking book, VaR decreased sharply during 2021 mainly due to tail dates from the Covid-19 pandemic no longer affecting the VaR.*

Table 35. EU IRRBB1 – Interest rate risks of non-trading book activities (banking book)

SEK m		a	c
		Changes of the economic value of equity	Changes of the net interest income
Supervisory shock scenarios		31 Dec 2021	31 Dec 2021
1	Parallel up	−3,206	−7,425
2	Parallel down	169	16
3	Steepener	208	
4	Flattener	−2,143	
5	Short rates up	−3,111	
6	Short rates down	358	

COMMENT
- *This template provides information on the risks arising from potential changes in interest rates that affect both the economic value of equity and the net interest income of their non-trading book activities referred to in Article 84 and Article 98(5) CRD. Positive changes in each currency is weighted by a factor of 50 per cent. Interest rate duration for core non-maturing deposit volumes is set to three months based on an internal model.*

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 will take the whole loss distribution into account and calculate the expected loss of all of the worst outcomes. ES is currently used within SEB to calculate the economic capital for market risk of trading and liquidity management purpose positions.

Stress tests and scenario analyses
Scenario analysis and stress tests are a key part of the risk management framework, complementing the VaR measure. In particular, they test the portfolios using scenarios other than those available in the VaR simulation window and cover longer time horizons. The 99 per cent confidence level used in the VaR model implies that a loss exceeding the VaR figure is expected once every 100 days. By using a more extensive set of market data scenarios than available in the simulation window of the VaR model, stress testing makes it possible to estimate losses in scenarios that are more severe than the VaR 99 per cent scenario.

SEB stresses its portfolios by applying extreme movements in market factors which have been observed in the past (historical scenarios) as well as extreme movements that could potentially happen in the future. The movements could either be forwardlooking and hypothetical or be based on observed historical movements. To further incorporate all possible events, the group complements the historical and hypothetical scenarios with reverse stress tests, which start from an outcome where, for example, a stop-loss limit would be breached and then identifies circumstances where this might occur. This type of analysis provides management with a view on the potential impact that large market moves in individual risk factors, as well as broader market scenarios, could have on a portfolio. The risk tolerance framework includes limits on maximum losses in various stress test scenarios.

Risk type-specific measures

As complementary analytical tools, SEB uses sensitivity and position measures as appropriate to the various instruments and risk types:

Delta 1%

SEB uses both gross and Net Delta 1% to measure interest rate risk sensitivity in the trading and banking books. Both measures are calculated for interest rate-based products and measure the change in market value following a simultaneous one percentage point parallel shift in interest rates for all currencies.

Aggregated FX positions

While foreign exchange (FX) trading positions are measured using VaR, the structural FX risk inherent in the structure of the balance sheet and earnings are measured separately through an aggregate FX limit. The aggregated FX is obtained by calculating the sum of all short non-SEK positions and the sum of all long non-SEK positions. The aggregated FX is the larger of these two sums, in absolute value.

Stop-loss limits

Stop-loss limits are used throughout the group's trading activities. A stop-loss limit is a specified loss amount at which loss limiting measures must be executed in order to restrict potential losses of a position, portfolio or entity. Since it focuses on actual losses, the stop-loss framework covers all risk events and risk drivers and helps limit losses under stressed market conditions.

Capital requirement for market risk in the trading book

SEB's internal VaR and SVaR models have been approved by the Swedish FSA for calculation of regulatory capital requirements for all the general market risks in SEB's trading book in the parent company.

The capital requirement for remaining market risks in the trading book is calculated using the standardised approach. The breakdown of risk exposure amount and the corresponding capital requirements are shown below.

Table 36. EU MR1 – Market risk under the standardised approach

SEK m		a	a
		31 Dec 2021	30 Jun 2021
		RWEAs	RWEAs
	Outright products		
1	Interest rate risk (general and specific)	4,509	12,529
2	Equity risk (general and specific)	512	1,495
3	Foreign exchange risk		
4	Commodity risk		
	Options		
5	Simplified approach		
6	Delta-plus method		
7	Scenario approach		
8	Securitisation (specific risk)		
9	**TOTAL**	**5,021**	**14,025**

Table 37. EU MR2-A – Market risk under the internal Model Approach (IMA)

SEK m		a	b	a	b
		31 Dec 2021		30 Jun 2021	
		RWEAs	Own funds requirements	RWEAs	Own funds requirements
1	**VaR** (higher of values a and b)	**5,174**	**414**	**3,894**	**312**
(a)	Previous day's VaR (VaRt-1)		118		86
(b)	Multiplication factor (mc) x average of previous 60 working days (VaRavg)		414		312
2	**SVaR** (higher of values a and b)	**21,582**	**1,727**	**23,533**	**1,883**
(a)	Latest available SVaR (SVaRt-1))		484		476
(b)	Multiplication factor (ms) x average of previous 60 working days (sVaRavg)		1,727		1,883
	IRC (higher of values a and b)				
	Most recent IRC measure				
	12 weeks average IRC measure				
	Comprehensive risk measure (higher of values a, b and c)				
	Most recent risk measure of comprehensive risk measure				
	12 weeks average of comprehensive risk measure				
	Comprehensive risk measure Floor				
5	**Other**				
6	**TOTAL**	**26,756**	**2,140**	**27,427**	**2,194**

Table 38. EU MR3 – IMA values for trading portfolios

SEK m	a 31 Dec 2021	a 30 Jun 2021
VaR (10 day 99%)		
1 Maximum value	196	132
2 Average value	93	96
3 Minimum value	55	67
4 Period end	118	86
SVaR (10 day 99%)		
5 Maximum value	585	810
6 Average value	458	591
7 Minimum value	361	442
8 Period end	484	476
ICR (99.9%)		
9 Maximum value		
10 Average value		
11 Minimum value		
12 Period end		
Comprehensive risk capital charge (99.9%)		
13 Maximum value		
14 Average value		
15 Minimum value		
16 Period end		

Table 39. EU PV1 – Prudent valuation adjustments (PVA)

SEK m	a	b	c	d	e	EU e1	EU e2	f	g	h
31 Dec 2021	Risk category					Category level AVA – Valuation uncertainty		Total category level post-diversification		
Category level AVA	Equity	Interest Rates	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA		*Of which: Total core approach in the trading book*	*Of which: Total core approach in the banking book*
1 Market price uncertainty	994	172		7				587	*87*	*500*
2 Not applicable										
3 Close-out cost	49	250	14	59	57			428	*402*	*25*
4 Concentrated positions	12	7						19	*5*	*14*
5 Early termination										
6 Model risk	2	20		65				44	*44*	
7 Operational risk										
8 Not applicable										
9 Not applicable										
10 Future administrative costs		55						55	*55*	
11 Not applicable										
12 **Total Additional Valuation Adjustments (AVAs)**								**1,133**	**593**	**540**

COMMENT

- *Market Risk independently verifies the valuation of positions held at fair value and calculates the capital reserve for prudent valuation that is deducted from the CET1 capital. SEB's prudent valuation framework is implemented in accordance with the CRR (article 105) and the EBA RTS 2016/101 and measures valuation uncertainty, in terms of additional valuation adjustments (AVA), in fair value instruments beyond fair value adjustments made in the accounting. Prudent valuation aims to establish a valuation that reflects a prudent exit price for a position, capturing valuation uncertainty stemming from e.g. market price uncertainty, close-out costs and model risk.*

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems (e.g. breakdown of IT systems, mistakes, fraud, other deficiencies in internal control) or from external events (natural disasters, external crime, etc.). The definition includes conduct, compliance, legal and financial reporting, information-, cyber- and physical security, and venture execution risks, but excludes strategic and reputational risk.

Risk management

SEB has a regulatory approval to use the Advanced Measurement Approach (AMA) to calculate the capital requirement for operational risk. Operational risk forms a subset of the bank's non-financial risks (NFR). While the day-to-day management of operational risk is the responsibility of SEB's business divisions and support functions, where these risks are generated, the Non-Financial Risk unit oversees the group-wide management of operational risks, identifies and reports risk concentrations, and promotes a consistent way of working across the bank. The NFR unit is a part of the CRO Function headed by the CRO.

Operational risk is inherent in all of SEB's operations. Examples of operational incidents include fraud, business disruptions and system failures, misconduct by employees, failure to comply with applicable laws and regulations and failures or mistakes by suppliers or external service providers. Such events may result in financial losses, litigations, regulatory fines and/or reputational damage to SEB.

SEB aims to maintain a sound risk culture with low operational risks. This is done by ensuring a structured and consistent usage of risk mitigating tools and processes. In the Group Risk Policy and the Non-financial Risk Instruction (previously named Operational Risk Instruction), SEB's Board of Directors has defined the over-all aim and principles for identification, management, monitoring and reporting of operational risk. These douments are supplemented by additional instructions and guidelines.

As the first line of defense, the divisions and staff functions own the risks arising in their operations, including third party/outsourcing arrangements.

All managers in SEB are responsible for identifying, managing, monitoring and reporting operational risks in their operations. Furthermore, the risk managers in the business are explicitly assigned to address operational risks. Within the framework of their responsibilities, the first line risk managers not only assist the business in their day-to-day management of operational risk, but also ensure implementation of an effective risk management and that internal controls are carried out in accordance with the group's policies and instructions.

The risk organisation is responsible for ensuring that SEB's operational risks are identified, managed, monitored, and reported and for making sure that these risks are addressed in accordance with external and internal regulations. The risk organisation reports to SEB's senior management, the Group Risk Committee (GRC) and the Board's Risk and Capital Committee (RCC) on a regular basis. The objective is to inform on the group's exposure to operational risk, mitigating actions and recommendations to further reduce the operational risks.

These reports also include the degree of compliance with the operational risk tolerance set by the Board, status on key risk indicators, information on significant incidents, and in-depth analyses of operational risks.

Examples of tools and processes used in SEB to continuously identify and manage operational risk:

Incident management
All employees are required to escalate and register risk-related events so that risks can be properly identified, managed, monitored and reported. The information is analysed by both the first and second lines of defense analysing risk events, key metrics, and other relevant operational risk data in order to evaluate operational risk exposures.

Risk and control self-assessments
All business units with significant risk embedded in their operations shall regularly complete Risk and Control Self-Assessments (RCSA) according to a group-wide methodology. Assessments are based on their consolidated operations and are designed to identify, and mitigate operational risks embedded in the process end-to-end.

Business continuity management
Business continuity management (BCM) is the process of ensuring that the organisation is prepared to respond to and operate through a period of major disruption. SEB's BCM framework provides methods and processes to ensure readiness to recover, resume and maintain business critical functions and processes.

Crisis management
Crisis Management Teams (CMTs) are established on group, country, and divisional level to ensure quick response and management of serious disruption in order to protect lives, health and assets of employees, customers, and other stakeholders.

New product approval process
All new or changed products, processes and/or systems as well as re-organisations are evaluated in a group-common New Product Approval process (NPA). The aim is to identify potential operational risks and ensure that pro-active measures are taken to protect SEB from entering into unintended risk-taking.

Model risk management
The use of models always gives rise to model risk, which is the potential for adverse consequences from decisions based on incorrect or misused model outputs and reports. The aim of SEB's Model Risk Management (MRM) framework is to provide guidance on effective model risk management to ensure sufficient controls are in place to manage the model risk arising from the use of models.

Cyber security, data management and model risk

SEB continuously strives to improve its framework and risk practices to mitigate existing and emerging risks. Global connectivity, increased usage of cloud services, third party vendors and outsourcing are megatrends 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.

To protect SEB's intellectual property, customer data and other sensitive information from unauthorised access by cyber criminals, activities to identify, protect against, detect, respond to, and recover from cybercrime are continuously developed. Security updates, system upgrades and security tests are performed on a regular basis. Using zero-trust and least privilege access principles along with technical safeguards provide additional protection and the visibility needed to manage and monitor every device, user, application, and network.

Just as important is to foster a sound risk culture and to raise security awareness, not only among the employees, but also among SEB's customers. This is done through e.g. trainings and regular communication. In addition, SEB has adopted a group-wide cyber risk policy.

Data management and data ethics continue to grow in importance as the financial industry becomes increasingly data centric. In addition, correct and timely data is part of growing regulatory requirements. SEB's efforts to counteract the risk of money laundering and the use of third-party arrangements increase the need for adequate data management and data processing. SEB's well-defined processes for managing such risks are being continuously adapted.

In recent years, SEB has established a group-wide information governance framework, including data management tools and processes. Model risk is another area affected by evolving regulatory requirements. SEB has implemented a model risk policy framework, and significant improvements have been made to the independent validation of models used for financial crime prevention, pricing of lending products and algorithmic trading. Procurement of an IT application to support model risk management is ongoing.

Fraud prevention

As a bank, SEB is exposed to the risk of being used for corruption, money laundering and financing of terrorism. Work to strengthen SEB's defense against money laundering continues to be of high priority. This includes regular risk assessments, risk-based customer due diligence processes and efficient transaction monitoring. A joint know-your-customer (KYC) platform is being setup (Invidem) together with five other Nordic banks and SAMLIT – the Swedish AML Intelligence Task Force which is a cooperation between the Swedish Police Authority and large Swedish banks to increase information sharing.

→ For further information on operational risks, please see the Risk, liquidity and capital management chapter of the Annual Report.

Measurement of operational risk

SEB's regulatory approval to use the AMA to calculate the capital requirement for operational risk is a confirmation of SEB's experience and expertise in operational risk management, including incident reporting, operational loss reporting, capital modelling and quality assessment of processes.

Applying the AMA model, SEB quantifies operational risk with a loss distribution approach, using internal data and external operational losses in the global financial sector. The AMA model is structured along the regulatory-defined business lines for operational risk where SEB's business volume serves as a risk estimate in the modelling. Once the capital requirement for the group has been calculated, it can be allocated between the divisions in a fashion that is similar to the methodology used in the standardised approach, using the AMA model's capital multipliers to assess each business line's risk level. The quality of the divisions' risk management, based on their self-assessments, is also considered.

The capital requirement for operational risk is not affected by any external insurance agreement to reduce or transfer the impact of operational risk losses.

In its review of capital and liquidity requirements after the financial crisis 2007–2009, the Basel Committee decided on a standardised approach to calculate the capital requirement for operational risk which will replace all existing methods, including the AMA models. The standardised approach uses multipliers to the banks' financial income statement, where also internal loss statistics will be considered. The standardised approach is expected to come into force in the EU on 1 January 2025.

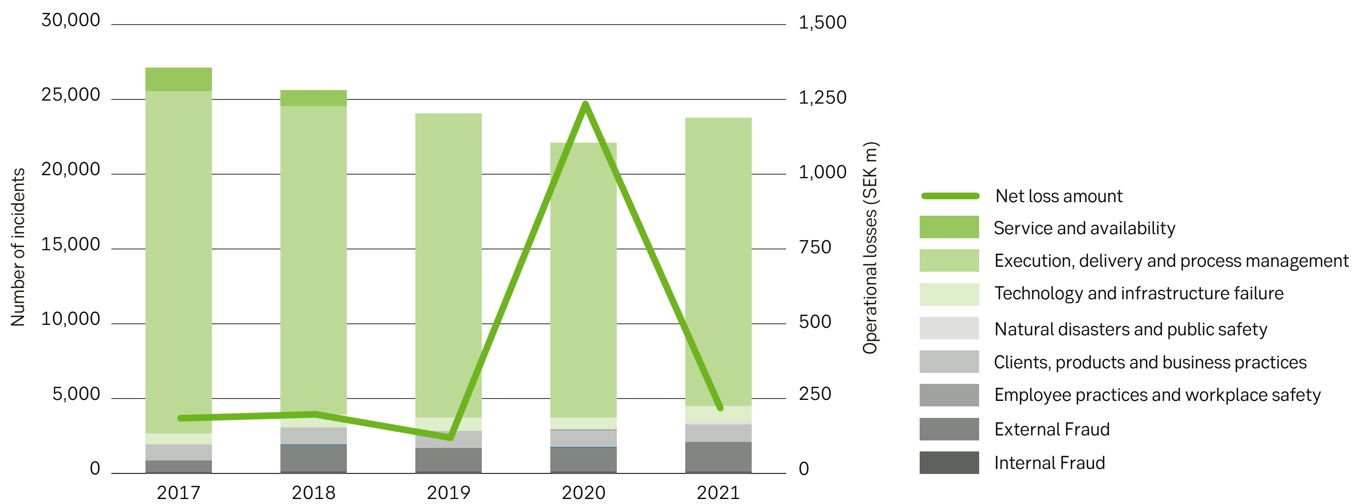
Table 41. EU OR1 – Operational risk own funds requirements and risk-weighted exposure amounts

SEK m	a	b	c	d	e
31 Dec 2021	Relevant indicator			Own funds requirements	Risk weighted exposure amount
Banking activities	Year-3	Year-2	Last year		
5 Banking activities subject to advanced measurement approaches AMA	40,055	46,830	46,629	3,992	49,897

COMMENT

- *The total capital requirement for operational risk was unchanged at SEK 4.0bn (4.0) at the end of 2021.*
- According to Art. 446 CRR: *Institutions shall disclose the approaches for the assessment of own funds requirements for operational risk that the institution qualifies for a description of the methodology set out in Article 312(2), if used by the institution, including a discussion of relevant internal and external factors considered in the institution's measurement approach and in the case of partial use, the scope and coverage of the different methodologies used.*

Table 40. Operational risk incidents registered and analysed



COMMENT

- *2021 was characterised by low operational losses and significantly less downtime in SEB's IT systems compared to previous years. Net losses from operational incidents amounted to SEK 219m (1,235).*

Liquidity risk

Liquidity risk is the risk that the group is unable to refinance its existing assets or is unable to meet the demand for additional liquidity. Liquidity risk also entails the risk that the group is forced to borrow at unfavourable rates or is forced to sell assets at a substantial loss in order to meet its payment commitments.

Risk management

The aim of SEB's liquidity management is to ensure that the group has a controlled liquidity situation, with adequate volumes of liquid assets in all relevant currencies to meet its liquidity requirements in all foreseeable circumstances, without incurring substantial cost. The treasury function has the overall responsibility for liquidity management and funding strategy and is supported by local treasury centers in the group's major markets.

The Board of Directors has established a comprehensive framework for managing the bank's liquidity requirements in the short- and long-term. Liquidity management and the structuring of the balance sheet from a liquidity point of view are built on three basic perspectives: (i) the structural liquidity perspective, in which stable funding is put in relation to illiquid assets; (ii) the bank's tolerance for short-term stress in the form of a shutdown of the wholesale and interbank funding markets (wholesale funding dependence); and, (iii) the bank's tolerance to a severe stress scenario where, in addition to a shutdown of the funding market, the bank experiences a severe outflow of deposits. The three perspectives are summarised in the simplified balance sheet below.

In addition to the above approaches of looking at liquidity, there are a number of targets that SEB strives to meet, including a diversified funding base, wholesale funding maturities that are well distributed over time, sufficient overcollateralisation in the bank's cover pools and to make sure that the level of encumbered assets is acceptable to unsecured creditors.

The liquidity risk is managed through the limits set by the Board, which are further allocated by the Group Risk Committee (GRC). Liquidity limits are set for the group, branches and specific legal entities, as well as for exposures in different currencies.

The risk organisation measures and follows up the liquidity risk and limit utilisation on a daily basis, which is reported to management. Risk utilisation based on different market conditions and liquidity stress tests are analysed continuously and reported at least on a monthly basis to the GRC and the Risk and Capital Committee (RCC).

Liquid assets

To mitigate liquidity risk and to ensure that SEB is able to meet its payment obligations, SEB holds liquid assets that are managed by the treasury function. SEB's liquid assets, in accordance with the Liquidity Coverage Ratio (LCR) in the CRR amounted to SEK 627bn (617) at year-end 2021.

→ For details on the liquid assets, please see SEB's Annual Report, note 40.

Internal liquidity adequacy assessment process

Liquidity risk is not primarily mitigated by capital. However, there are strong links between a bank's capital and liquidity position. Hence, an internal liquidity adequacy assessment process (ILAAP) complements the ICAAP. The assessment is governed by the treasury function with input from the risk and finance organisations. The process is designed to identify possible gaps against SEB's long-term desired level of liquidity adequacy, taking into account that effective liquidity management is an ongoing improvement process.

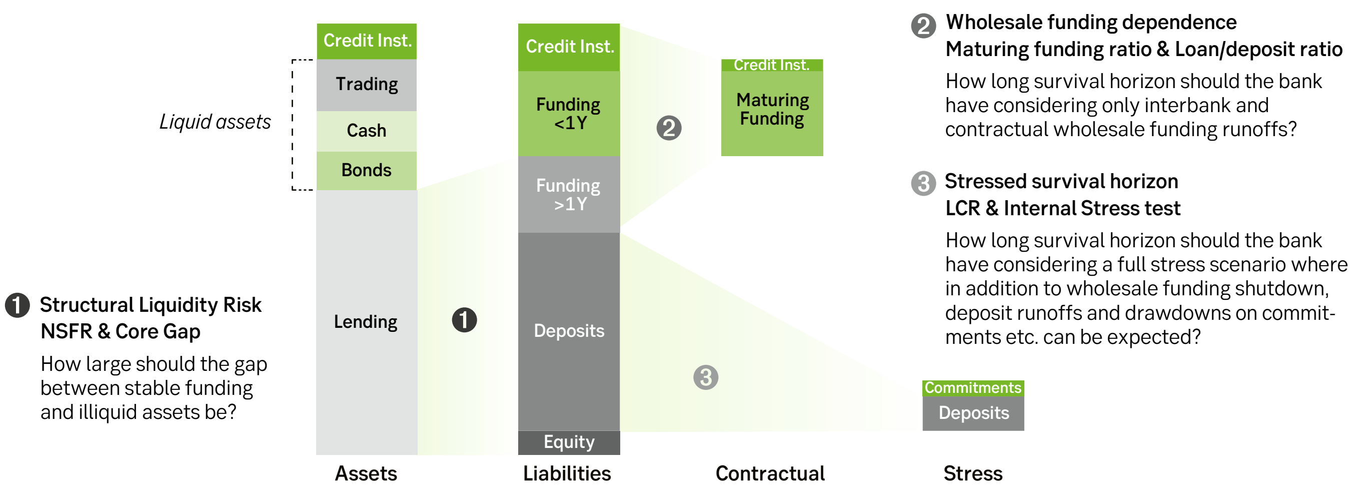
Measurement of liquidity risk

The risk organisation is responsible for the liquidity risk measurement methods and metrics applied within SEB. In order to quantify and manage short- and long-term liquidity risk, a range of customised methods and metrics are used to assess the structure of the balance sheet and cash flows under both normal and stressed market conditions. Liquidity gaps shall be identified through measurement of cumulative net cash flows arising from the assets, liabilities and off-balance sheet positions in various time buckets.

Structural liquidity risk

In order to maintain a sound structural liquidity position, the structure of the liability side should be based on the composition of assets. The more long-term lending and other illiquid assets, the more stable funding is required. This risk is measured by the regulatory defined Net Stable Funding Ratio (NSFR). In this ratio, the

Balance sheet structure illustrative



amount of available stable funding is put in relation to the amount of required stable funding. The NSFR became legally binding as at 28 June 2021. At year-end 2021, the NSFR ratio was 111 per cent.

Wholesale funding dependence

One way of measuring dependence on funding is to assess the time that SEB's liquid assets would last if the wholesale and interbank funding markets were closed. This measure, the maturing funding ratio, captures the bank's liquid assets in relation to wholesale funding and net interbank borrowings that come to maturity over the coming months, or as the number of months it would take to deplete the liquid assets in a scenario where all maturing funding must be repaid from liquid assets.

Wholesale funding dependence is also measured as the loan to deposit ratio, excluding repos and reclassified debt securities. At year-end 2021, SEB's loan to deposit ratio amounted to 111 per cent (122).

Stressed survival horizon

Severe stress can be modelled by combining assumptions of a wholesale funding market shutdown with assumptions of deposit outflows and drawdowns on commitments, etc. The outcome is captured by the regulatory defined Liquidity Coverage Ratio (LCR) where, in a stressed scenario, modelled net outflows during a 30-day period are related to the amount of total liquid assets. Since 1 January 2018, the EU's definition of the LCR is used. As at March 2020, due to the spread of the Covid-19, the Swedish FSA allows banks to temporarily fall below the LCR requirement. Before the temporary relief, the LCR requirement for total currencies, EUR and USD was 100 per cent while for SEK and other significant currencies the requirement was 75 per cent.

SEB also measures the time it would take for the liquid assets to be depleted in an internally defined severely stressed scenario, expressed as the stressed survival horizon (SSH). The same scenario is also used for monitoring the outcome in the currency dimension. This in order to discover potential mismatches and dependencies towards the FX-swap market. In addition, SEB monitors various rating agencies' survival metrics.

Table 42. EU LIQ1 – Quantitative information of LCR

SEK bn		a	b	c	d	e	f	g	h
Scope of consolidation: consolidated		Total unweighted value (average)				Total weighted value (average)			
EU 1a	**Quarter ending on**	**31 Dec 2021**	30 Sep 2021	30 Jun 2021	31 Mar 2021	**31 Dec 2021**	30 Sep 2021	30 Jun 2021	31 Mar 2021
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
High-quality liquid assets									
1	Total high-quality liquid assets (HQLA), after application of haircuts in line with Article 9 of regulation (EU) 2015/61					881	822	771	723
Cash – Outflows									
2	Retail deposits and deposits from small business customers, of which:	501	487	474	464	37	36	35	34
3	*Stable deposits*	*330*	*323*	*315*	*307*	*17*	*16*	*16*	*15*
4	*Less stable deposits*	*170*	*164*	*159*	*157*	*21*	*20*	*19*	*19*
5	*Unsecured wholesale funding*	*1,250*	*1,173*	*1,097*	*1,032*	*634*	*580*	*525*	*471*
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	*859*	*829*	*798*	*780*	*267*	*257*	*246*	*239*
7	*Non-operational deposits (all counterparties)*	*321*	*281*	*240*	*195*	*298*	*260*	*219*	*175*
8	*Unsecured debt*	*69*	*63*	*59*	*57*	*69*	*63*	*59*	*57*
9	*Secured wholesale funding*					*84*	*79*	*79*	*78*
10	*Additional requirements*	*626*	*617*	*624*	*607*	*98*	*96*	*97*	*95*
11	*Outflows related to derivative exposures and other collateral requirements*	*43*	*42*	*43*	*44*	*26*	*26*	*28*	*29*
12	*Outflows related to loss of funding on debt products*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
13	*Credit and liquidity facilities*	*583*	*575*	*581*	*563*	*71*	*70*	*69*	*67*
14	Other contractual funding obligations	67	63	57	53	29	26	23	21
15	Other contingent funding obligations	214	210	208	214	11	11	11	12
16	**Total cash outflows**					**894**	**827**	**770**	**712**
Cash – Inflows									
17	Secured lending (e.g. reverse repos)	330	329	342	366	98	97	95	95
18	Inflows from fully performing exposures	114	109	106	105	87	83	79	78
19	Other cash inflows	30	27	27	29	30	27	27	29
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)								
EU-19b	(Excess inflows from a related specialised credit institution)								
20	**Total cash inflows**	**474**	**465**	**476**	**499**	**216**	**207**	**201**	**202**
EU-20a	*Fully exempt inflows*								
EU-20b	*Inflows subject to 90% cap*								
EU-20c	*Inflows subject to 75% cap*	*345*	*348*	*361*	*378*	*216*	*207*	*201*	*202*
TOTAL ADJUSTED VALUE									
21	**Liquidity buffer**					**881**	**822**	**771**	**723**
22	**Total net cash outflows**					**678**	**620**	**568**	**511**
23	**Liquidity coverage ratio**					**131%**	**134%**	**137%**	**143%**

SEB shall at all times have an adequate liquidity buffer to meet the Net Liquidity Outflows as defined in the Liquidity Coverage Ratio (LCR). In addition to central bank reserves, SEB holds High Quality Liquid Assets (HQLA) that can be mobilised to meet liquidity needs during a 30 calendar day liquidity stress scenario.

SEB reviews and potentially adjusts the liquidity buffer reflecting inter alia net outflows which may vary over time.

The treasury function continuously manages the short- and long-term funding activities of the group in order to secure sufficient funding diversification. The funding sources are diversified by e.g. product, currency, geography and type of market.

The main part of SEB's liquidity buffer is composed of Level 1 assets. A large share is held as central bank reserves, but it also consists of highly rated sovereign bonds and extremely high quality covered bonds. A minor part of the liquidity buffer is held in Level 2 assets. All securities within the liquidity buffer should at all times be eligible as collateral in a central bank as defined in the CRR.

SEB has LCR requirements in all main currencies (SEK, EUR and USD), hence the currency distribution of the LCR is closely monitored and no major mismatches exist. Additionally, derivative exposures and collateral calls is monitored at all times.

The LCR was stable during the year. Net outflows increased following an increase of customer deposits. The average duration on wholesale funding decreased which also contributed to an increase in Net outflows. HQLA increased, driven by an increase in withdrawable central bank reserves.

The distribution of funding sources has not changed significantly during the year.

Table 43. EU LIQ2 – Net Stable Funding Ratio

SEK m		a	b	c	d	e
		Unweighted value by residual maturity				
31 Dec 2021		No maturity	<6 months	6 months to <1yr	≥1yr	Weighted value
Available stable funding (ASF) Items						
1	**Capital items and instruments**	**188,582**	**5,500**		**14,593**	**203,174**
2	*Own funds*	*188,582*	*5,500*		*14,593*	*203,174*
3	*Other capital instruments*					
4	**Retail deposits**		**539,406**			**502,673**
5	*Stable deposits*		*344,157*			*326,949*
6	*Less stable deposits*		*195,249*			*175,724*
7	**Wholesale funding:**		**1,162,532**	**7,451**	**22,383,**	**466,297**
8	*Operational deposits*		*690,796*			*345,398*
9	*Other wholesale funding*		*471,736*	*7,451*	*22,383*	*120,899*
10	Interdependent liabilities					
11	**Other liabilities:**	**70,860**	**317,977**	**130,147**	**335,545**	**395,688**
12	*NSFR derivative liabilities*	*70,860*				
13	*All other liabilities and capital instruments not included in the above categories*		*317,977*	*130,147*	*335,545*	*395,688*
14	**Total available stable funding (ASF)**					**1,567,832**
Required stable funding (RSF) Items						
15	**Total high-quality liquid assets (HQLA)**					**5,151**
EU-15a	**Assets encumbered for more than 12m in cover pool**				**221,723**	**188,465**
16	Deposits held at other financial institutions for operational purposes					
17	**Performing loans and securities:**		**482,242**	**182,979**	**1,126,795**	**1,074,265**
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		*23,197*			
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		*195,098*	*14,859*	*39,507*	*60,564*
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		*182,002*	*145,979*	*580,744*	*909,905*
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*4,763*	*47,062*	*114,697*	*375,688*
22	*Performing residential mortgages, of which:*		*13,701*	*13,239*	*402,696*	
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*13,701*	*13,239*	*402,696*	
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		*68,244*	*8,902*	*103,849*	*103,795*
25	**Interdependent assets**					
26	**Other assets:**		**119,329**	**810**	**66,078**	**96,581**
27	*Physical traded commodities*				*5,051*	*4,293*
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		*24,543*			*20,862*
29	*NSFR derivative assets*					
30	*NSFR derivative liabilities before deduction of variation margin posted*		*70,860*			*3,543*
31	*All other assets not included in the above categories*		*23,926*	*810*	*61,028*	*67,883*
32	**Off-balance sheet items**		**256,401**	**105,753**	**508,754**	**49,103**
33	**Total required stable funding (RSF)**					**1,413,565**
34	**Net Stable Funding Ratio (%)**					**111%**

Table 43. **EU LIQ2: Net Stable Funding Ratio** In accordance with Article 451a(3) CRR

SEK m		a	b	c	d	e
		Unweighted value by residual maturity				
30 Jun 2021		No maturity	<6 months	6 months to <1yr	≥1yr	Weighted value
Available stable funding (ASF) Items						
1	**Capital items and instruments**	**178,119**		**5,246**	**8,071**	**186,191**
2	*Own funds*	*178,119*		*5,246*	*8,071*	*186,191*
3	*Other capital instruments*					
4	**Retail deposits**		**500,718**			**467,301**
5	*Stable deposits*		*333,089*			*316,434*
6	*Less stable deposits*		*167,630*			*150,867*
7	**Wholesale funding:**		**1,319,116**	**3,709**	**16,510**	**435,354**
8	*Operational deposits*		*683,597*			*144,227*
9	*Other wholesale funding*		*635,519*	*3,709*	*16,510*	*291,126*
10	Interdependent liabilities					
11	**Other liabilities:**	**55,114**	**410,106**	**79,563**	**397,037**	**413,529**
12	*NSFR derivative liabilities*	*55,114*				
13	*All other liabilities and capital instruments not included in the above categories*		*410,106*	*79,563*	*397,037*	*413,529*
14	**Total available stable funding (ASF)**					**1,502,374**
Required stable funding (RSF) Items						
15	**Total high-quality liquid assets (HQLA)**					**12,287**
EU-15a	**Assets encumbered for more than 12m in cover pool**				**263,145**	**223,673**
16	Deposits held at other financial institutions for operational purposes					
17	**Performing loans and securities:**		**523,232**	**184,129**	**1,026,503**	**997,192**
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		*63,036*			
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		*213,705*	*23,114*	*27,249*	*52,964*
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		*172,313*	*143,181*	*559,474*	*844,701*
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*13,323*	*37,980*	*109,641*	*330,248*
22	*Performing residential mortgages, of which:*		*13,406*	*12,440*	*339,088*	
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*13,406*	*12,440*	*339,088*	
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		*60,773*	*5,394*	*100,693*	*99,527*
25	**Interdependent assets**					
26	**Other assets:**		**105,434**	**1,121**	**54,477**	**84,162**
27	*Physical traded commodities*				*2,350*	*1,997*
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		*19,890*			*16,907*
29	*NSFR derivative assets*		*4,130*			*4,130*
30	*NSFR derivative liabilities before deduction of variation margin posted*		*55,114*			*2,756*
31	*All other assets not included in the above categories*		*26,300*	*1,121*	*52,127*	*58,372*
32	**Off-balance sheet items**		**250,881**	**102,369**	**437,420**	**44,305**
33	**Total required stable funding (RSF)**					**1,361,619**
34	**Net Stable Funding Ratio (%)**					**110%**

Asset encumbrance

The primary source of asset encumbrance in SEB is the issuance of covered bonds, which is a funding source used to fund residential mortgages. The overcollateralisation for covered bonds in the tables below represents the 2 per cent regulatory required overcollateralisation. The bank also has voluntary overcollateralisation additional to the statutory requirement of 2 per cent to be able to withstand a significant property price fall caused by a disruption in the real estate market. At the end of 2021, retained covered bonds that are non-encumbered amounted to SEK 0.5bn (0.5).

Furthermore, asset encumbrance is also driven by client facilitation within the Markets business, where secured financing transactions, such as repos and securities lending and borrowings, give rise to the need for collateral both on and off the balance sheet. Other sources of asset encumbrance include collateral management and derivatives. Unencumbered other assets include assets such as intangible assets and derivatives.

The majority of the encumbered assets and collateral are derived from the parent company, and there is no significant intragroup encumbrance. The largest original currency of encumbered assets and collateral, as well as source of encumbrance, is SEK followed by EUR and USD.

In the tables below, an asset is treated as encumbered if it has been pledged or if it is subject to any form of arrangement to secure, collateralise or credit enhance any transaction from which it cannot be freely withdrawn. In the Annual Report, only pledged and transferred assets are recognised as encumbered, except for covered bonds.

Amounts are median values based on end of period carrying amounts of asset encumbrance reporting for each of the latest four quarters and are determined by interpolation. The medians disclosed in 'Total rows' are medians of the sums.

Table 44. EU AE1 – Encumbered and unencumbered assets

SEK m	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
31 Dec 2021		*of which notionally elligible EHQLA and HQLA*		*of which notionally elligible EHQLA and HQLA*		*of which EHQLA and HQLA*		*of which EHQLA and HQLA*
Assets of the reporting institution	**453,790**	**52,077**			**2,589,904**	**794,970**		
Equity instruments	30,654		30,654		59,862	4,846	59,666	4,846
Debt securities	52,913	51,960	52,913	51,960	306,555	276,924	306,129	276,924
of which: covered bonds	22,648	21,645	22,648	21,645	87,210	83,740	87,210	83,740
of which: asset-backed securities					8,565	6,309	8,550	6,309
of which: issued by general governments	20,426	20,426	20,426	20,426	51,248	38,232	51,297	38,232
of which: issued by financial corporations	30,888	29,935	30,888	29,935	141,052	130,182	141,941	130,182
of which: issued by non-financial corporations					8,944	742	8,944	742
Other assets	379,299	113			2,206,423	483,404		
of which: mortgage loans	338,372				690,211			
of which: loans and advances other than loans on demand and mortgage loans	1,074				880,889	528		

SEK m	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
31 Dec 2020		*of which notionally elligible EHQLA and HQLA*		*of which notionally elligible EHQLA and HQLA*		*of which EHQLA and HQLA*		*of which EHQLA and HQLA*
Assets of the reporting institution	**501,047**	**41,837**			**2,376,719**	**548,356**		
Equity instruments	13,539		13,539		34,044	3,778	34,011	3,778
Debt securities	41,893	41,837	41,893	41,837	283,564	223,346	284,793	223,346
of which: covered bonds	19,807	18,780	19,807	18,780	76,378	66,038	76,378	66,038
of which: asset-backed securities					8,957	5,842	8,694	5,842
of which: issued by general governments	17,072	17,072	17,072	17,072	50,765	35,486	50,659	39,912
of which: issued by financial corporations	19,807	18,780	19,807	18,780	137,729	116,858	139,114	116,858
of which: issued by non-financial corporations	0		0		7,487	1,003	7,487	1,003
Other assets	444,076				2,032,166	325,748		
of which: mortgage loans	388,204				534,514			
of which: loans and advances other than loans on demand and mortgage loans					1,030,196			

Table 45. EU AE2 – Collateral received and own debt securities issued

SEK m	Fair value of encumbered collateral received or own debt securities issued		Unencumbered: Fair value of collateral received or own debt securities issued available for encumbrance	
31 Dec 2021		*of which notionally elligible EHQLA and HQLA*		*of which EHQLA and HQLA*
Collateral received by the reporting institution	**158,684**	***84,276***	**130,293**	***94,709***
Loans on demand				
Equity instruments	71,488		20,890	
Debt securities	84,963	*84,276*	109,403	*94,709*
of which: covered bonds	*30,605*	*29,241*	*53,464*	*42,809*
of which: asset-backed securities				
of which: issued by general governments	*49,036*	*48,928*	*44,211*	*43,775*
of which: issued by financial corporations	*35,287*	*33,924*	*60,219*	*48,406*
of which: issued by non-financial corporations	*506*	*486*	*2,734*	*239*
Loans and advances other than loans on demand				
Other collateral received				
Own debt securities issued other than own covered bonds or asset-backed securities			**51**	
Own covered bonds and asset-backed securities issued and not yet pledged				
TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED	**602,597**	***136,221***		

SEK m	Fair value of encumbered collateral received or own debt securities issued		Unencumbered: Fair value of collateral received or own debt securities issued available for encumbrance	
31 Dec 2020		*of which notionally elligible EHQLA and HQLA*		*of which EHQLA and HQLA*
Collateral received by the reporting institution	**163,016**	***98,985***	**197,496**	***151,012***
Loans on demand				
Equity instruments	55,370		23,056	
Debt securities	107,646	*98,985*	172,852	*151,012*
of which: covered bonds	*49,876*	*47,367*	*81,476*	*63,636*
of which: asset-backed securities				
of which: issued by general governments	*46,348*	*43,699*	*64,671*	*63,676*
of which: issued by financial corporations	*56,517*	*54,008*	*100,894*	*83,835*
of which: issued by non-financial corporations	*320*	*242*	*1,836*	*383*
Loans and advances other than loans on demand				
Other collateral received				
Own debt securities issued other than own covered bonds or asset-backed securities			**86**	
Own covered bonds and asset-backed securities issued and not yet pledged				
TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED	**656,807**	***137,707***		

Table 46. EU AE3 – Sources of encumbrance

SEK m	31 Dec 2021		31 Dec 2020	
	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
Carrying amount of selected financial liabilities	**547,775**	**602,597**	**614,948**	**656,807**
of which: derivatives	*43,362*	*81,920*	*70,381*	*92,120*
of which: repos	*37,386*	*37,386*	*26,960*	*26,960*
of which: securites financing	*37,987*	*43,991*	*23,292*	*25,322*
of which: covered bonds	*326,841*	*333,387*	*345,572*	*352,500*
of which: collateral management	*81,130*	*86,482*	*95,213*	*100,026*
of which: collateralized deposits other than repurchase agreemnets	*32,182*	*36,172*	*54,810*	*58,271*
of which: other		*1,996*		*1,396*

Other risks

Insurance risk

Insurance risk in SEB consists of all risks related to the group's life insurance operations; unit-linked, traditional life and risk insurance. The main risks include market risk and underwriting risk.

SEB's life insurance operations are conducted within the SEB Life Group. Unit-linked products represent the majority of the business. In 2016, SEB re-opened sales within traditional life insurance in Sweden, after having been closed since 2007. SEB also offers insurance policies in Ireland and the Baltic countries.

The SEB Life Group is exposed to market risks through the investments linked to traditional life insurance policies with guaranteed benefits and risk insurance operations at each subsidiary, as well as through investments of own equity. The traditional insurance business generates a majority of the market risk, driven by 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 interest rates, credit spreads, equity prices, property prices, exchange rates and implied volatilities.

In the unit-linked insurance products, the market risk is borne by the policyholder. However, SEB has an indirect exposure to market risk through the policyholders' investments, since a part of the future income stream is based on the value of the assets under management.

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 mortality, longevity, disability/morbidity (including risks that result from fluctuation in the timing and amount of claim settlements), catastrophe risk (e.g., extreme or irregular events), expense risk and lapse risk (i.e., policyholder behaviour risk).

Risk management and measurement

Market risk in the traditional life insurance products with guaranteed returns can be 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 against profit and loss 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 usually 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/surrender their policies from SEB. The utilisation of this option has been very low historically. Nevertheless, to safeguard against unplanned cash outflows sufficient liquid investments are maintained. Regular cash flow analysis is conducted to mitigate this risk.

The profitability of existing and new business is closely monitored, and look-through of funds is implemented to the extent possible for better calculation of capital requirements under the Solvency II regime.

The risk organisation is responsible for measuring, monitoring and reporting the risks inherent in SEB's life insurance operations. Measurement and monitoring are performed on a regular basis for each insurance company. Solvency capitalisation calculations, in line with the Solvency II regulatory framework, are performed regularly and the required reporting is submitted to the financial supervisors on a quarterly basis. Solvency figures are closely monitored over time. Key risks are reported to the Group Risk Committee (GRC), the Risk and Capital Committee (RCC) and to the boards of each insurance company.

Solvency II

Solvency II, which became effective on 1 January 2016, is a regulatory framework for the governance, internal control and capital requirements for insurance companies across Europe. The regulation is intended to facilitate transparency and comparability, and to ensure companies' ability to meet their obligations and thus increase protection for policyholders. Under Solvency II, an insurance company's capital requirement is risk-based, rather than the previous application of a fixed percentage of the company's technical provisions. All risks are taken into account, including market risk, underwriting risk and operational risk. Stress testing is applied to assess the company's resilience to sudden changes in assets and liabilities.

In addition, the regulatory framework places increased demands on a company's directors to ensure good risk management and more extensive reporting to the regulatory authorities and the public.

Pension risk

Pension risk is the risk that allocated funds for defined benefit pension plans should prove insufficient to meet future payments. The risk related to the group's pension plan is in some ways comparable in nature to the risk of traditional life insurance products and is measured in a similar way. However, the pension obligations are defined and therefore not depending on the earnings of the pension foundation. This means that pension risk resides with the employer in the respect that if future payments are not fully covered by the allocated funds in the pension foundation, the payments would have to be made by the SEB Group. The risk organisation regularly monitors and reports on the risk development of the pension foundations to the GRC and the Board's RCC.

Business risk

Business risk is the risk of lower revenues due to reduced volumes, price pressure or competition. Business risk includes venture decision risk (related to undertakings such as acquisitions, large IT projects, transformations, outsourcing, etc.). Strategic risk is close in nature to business risk, but focuses on large-scale or structural risk factors. Reputational risk is the risk arising from negative perception of SEB or the industry in general.

Business, strategic and reputational risks are inherent in doing business. Digitalisation of the banking industry is accelerating and new types of competitors are emerging. The extensive new regulatory framework for banking and financial institutions is significantly impacting the industry. Integration of sustainability in the strategic agenda plays an increasingly important part of a company's reputation. SEB continuously works to mitigate business, strategic and reputational risks in many ways, for example, through regular strategic business reviews, proactive cost management, an agile step-by-step IT development approach, an ambitious corporate sustainability agenda and active dialogues on regulatory matters.

Capital management and own funds

The group's capital management seeks to balance shareholders' demand for return with the financial stability requirements of regulators, debt investors, business counterparties and other market participants, including rating agencies.

Capital management

Governance

The capital policy defines how SEB's capital management should support its business goals, the group's dividend policy and rating targets. The capital policy, which is reviewed yearly, is established by the Board of Directors based on recommendations from the Risk and Capital Committee (RCC).

The group's CFO is responsible for the process for assessing the capital requirements in relation to the group's risk profile and for proposing a strategy for maintaining the capital levels. This process, the internal capital adequacy assessment process (ICAAP), is integrated with the group's business planning and is part of the internal governance framework and internal control systems.

Capital management

In the capital plan, SEB considers internal views on material risks and their development as well as risk measurement models, risk governance and risk mitigants. It is linked to the 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 survival of the group is not jeopardised.

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 including risk-based and non-risk-based metrics such as the leverage ratio. It is forward-looking, taking into account current and planned business volumes. The capital plan is stress tested for potential down-turns in the macroeconomic environment, strategic risk factors identified in the business planning, and other relevant scenarios. The capital plan is established annually and updated if needed during the year. SEB's capital is managed centrally, pursuant to an internal framework in accordance with local requirements as regards statutory and internal capital.

The ICAAP is used as input to the regulatory supervisors to annually assess SEB in accordance with the parameters of the Supervisory Review and Evaluation Process (SREP), including the bank's capital adequacy, risk measurement models and risk governance, among other things. The Swedish FSA concluded in its latest SREP that SEB is sufficiently capitalised and adequately measures and manages its risks.

Regulatory capital requirements

On 29 December 2020 new capital requirements started to apply for Swedish banks, since the EU Banking package was transposed into Swedish law. Capital requirements consist of four main parts:

1. A Pillar 1 minimum requirements of 8 per cent
2. Pillar 2 requirements (P2R)
3. A combined buffer requirement and
4. A Pillar 2 guidance (P2G).

The Pillar 2 requirement (P2R) for SEB consists of credit related concentration risk, interest rate risk in the banking book and the risk weight floor for exposures to the Swedish commercial real estate sector. According to the 2021 SREP decision, the CET1 capital requirement for P2R risk was 1.2 per cent of REA for SEB.

The combined buffer requirement consists of a capital conservation buffer of 2.5 per cent, the buffer of 1 per cent for other systemically important institutions (O-SII buffer), the systemic risk buffer of 3 per cent and the countercyclical buffer. The Swedish FSA has decided to raise the Swedish countercyclical buffer rate to 1.0 percent from 0 per cent. The decision will be applicable as at 29 September 2022.

As part of the 2021 SREP, the Swedish FSA introduced a risk-based Pillar 2 Guidance (P2G) and removed the Pillar 2 requirement for the corporate maturity floor. Through the P2G, the authority informs a bank which capital level it expects the bank to hold over and above the capital requirement while the P2R and the combined buffer requirement is applied to cover risks and manage future financial stresses. The Swedish FSA decided that the P2G, to be fully met with CET1 capital, should be 1.5 per cent of REA for SEB. SEB's applicable CET1 capital requirement as at year-end was approximately 13.8 per cent (12.6).

Furthermore, the leverage ratio P2G was decided to be 0.45 per cent of the leverage exposure – on top of the minimum 3 per cent requirement for the leverage ratio. At the end of the year, SEB's leverage ratio was 5.0 per cent. The components of the risk-based capital requirements for SEB as at year-end 2021 are illustrated in the table below.

Table 47. Regulatory capital requirement

SEB Consolidated situation – Capital requirement (explicit or implicit) Dec 2021[1)]

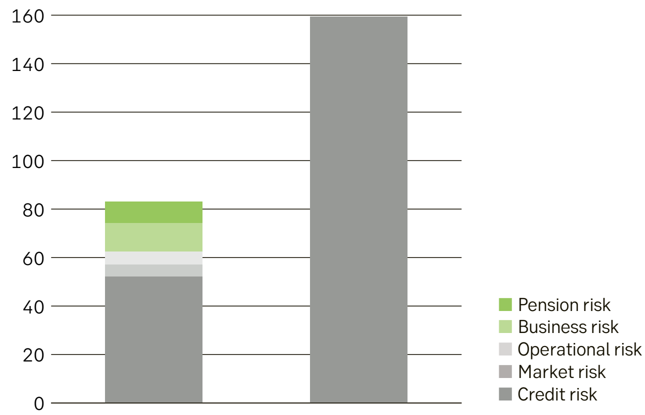
	CET1	AT1	Tier 2	Total
Pillar 1	4.5%	1.5%	2.0%	8.0%
Pillar 2 requirement				
Corporate exposures – Commercial real estate RW-floor	0.6%	0.0%	0.2%	0.8%
Credit concentration risk	0.3%	0.1%	0.1%	0.5%
Interest rate risk in the banking book	0.3%	0.1%	0.1%	0.6%
Total Pillar 2 requirement	1.2%	0.2%	0.4%	1.8%
Total SREP capital requirement (TSCR)	5.7%	1.7%	2.4%	9.8%
Institution specific buffer requirement				
Capital conservation buffer	2.5%			2.5%
Systemic risk buffer	3.0%			3.0%
Other Systemically Important Institution buffer (O-SII)	1.0%			1.0%
Countercyclical capital buffer	0.1%			0.1%
Combined buffer requirement (CBR)	6.6%			6.6%
Overall capital requirement (TSCR+CBR)	12.3%	1.7%	2.4%	16.4%
Pillar 2 Guidance (P2G)	1.5%			1.5%
Overall capital requirement and P2G	13.8%	1.7%	2.4%	17.9%

1) According to a decision in connection with the SREP 2021.

Capitalisation target
The Board of Directors sets SEB's capitalisation target to ensure that the group's capital is sufficient both to support its business strategy and risk tolerance and to safeguard that the group can maintain its capital ratios above regulatory requirements also in less favourable economic conditions. SEB aims to have a buffer of 100 to 300 basis points above the capital requirement. The buffer shall cover sensitivity to currency fluctuations in REA, changes in the net value of the Swedish defined benefit pension plan as well as general macroeconomic uncertainties. With a CET1 capital ratio of 19.7 per cent as at year-end 2021, the buffer is 590 basis points above the regulatory requirements and P2G.

Economic capital
SEB uses an economic capital model to internally assess the capital requirement of the group. The model is similar to the Basel III rules for capital adequacy in that many of the underlying risk components are the same. However, it is not fully comparable with the estimated capital requirement published by the Swedish FSA due to differences in assumptions and methodologies. The economic capital is calculated with a one-year horizon and based on a confidence level of 99.97 per cent, which is equivalent to the capital requirement for a very high debt credit rating. Diversification effects between risk types reduce the total amount of economic capital, since unexpected losses requiring capital buffers are not likely to occur simultaneously for all risk types. The shareholders' equity and other financial resources which can absorb unexpected losses are referred to as available capital.

Table 48. Economic capital for the consolidated situation
Economic capital including diversification effects, SEK bn



COMMENT
- *The economic capital or internally assessed capital requirement for the consolidated situation amounted to SEK 83bn (71). During Q4 2021, a review of the economic capital methodology and processes resulted in a number of adjustments leading to an increase in economic capital. However, the underlying risk remained essentially unchanged.*
- *The available capital to cover for the economic capital amounted to SEK 159bn (157), which shows that SEB is well capitalised in relation to its risks.*

SEB's stress testing framework covers all main risk types:

Credit risk Key economic criteria from recession scenarios are correlated with historical observed default data used in the average through-the-cycle credit models. In the stressed scenarios, credit losses increase and average risk weights are impacted by worsening risk classes due to assumed risk class migrations. Both internal and external default and loss data are used together with historical and scenario macroeconomic data to predict the effect on the bank's existing credit portfolio considering default rates and loss levels by country and by portfolio. In this way, the sensitivity of different parts of the portfolio can be identified, enabling the bank to manage risk more effectively. The concentration to large exposures is also stressed by simulating the effect of a default by one or more of these despite their investment grade rating.

Market risk SEB uses both historical and forward-looking scenarios to stress test its portfolios. The scenarios are reviewed regularly and are part of SEB's market risk tolerance framework. The stress tests cover the main risk factors relevant to SEB's portfolios.

Operational risk Key economic criteria from recession scenarios are correlated with historically observed operational losses both in SEB and externally to produce an expected loss for each adverse scenario. Idiosyncratic, highly unlikely scenarios, e.g., a rogue trader event, are also run as special cases to contrast their effect both during mild and severe recessions.

Funding and business risk Key economic criteria from recession scenarios are correlated with historically observed trading and fee income levels together with projections of likely costs. Net interest income levels are estimated using the scenario interest rate and credit spread data.Overall, the result in most scenarios is a reduction of operating profit before credit, market and operational risk losses.

Capital allocation and business equity
In addition to ensuring that SEB has an adequate capital buffer, the capital management also ensures that the capital is used where it can generate the best risk-adjusted returns. The group's capital is managed centrally, meeting also local requirements as regards statutory and internal capital. A clear governance process is in place for capital injections from the parent bank to the subsidiaries. SEB employs an internal capital allocation framework for measuring risk and profitability. The basis for this framework, called business equity, is derived from regulatory capital requirements and is calibrated with SEB's capital targets. The business equity framework allocates the total level of equity needed to maintain a desired capital adequacy to the business units in proportion to risks undertaken. Thus, business equity is a risk measure, since individual transactions are allocated business equity in proportion to their risks.

Stress testing
SEB views the macroeconomic environment as the major driver of risk to the group's earnings and financial stability. To arrive at an appropriate and comprehensive assessment of the bank's financial strength, both the expected development of the economy as well as stressed scenarios representing more severe conditions are taken into consideration. Stress testing is used to assess an extra safety margin over and above the formal capital model requirements, covering, for example, the potential of a sharp decline in the macroeconomic environment.

Finalisation of the Basel III framework

In December 2017, the Basel Committee presented the framework for revisions to the Basel III framework (also referred to as Basel IV). The stated objective of the framework is to reduce excessive variability of risk-weighted assets (RWA). For that purpose, the Committee introduced an output floor based on the revised standardised approaches, meaning that risk-weighted assets generated by internal models cannot in aggregate fall below 72.5 per cent of the risk weighted assets computed by the standardised approaches.

On 27 October 2021, the European Commission released a proposal for the implementation of Basel IV into EU legislation. The proposal includes some improvements regarding the effects of the output floor compared to the original Basel standards. For example, unrated investment grade corporates would receive a risk weight of 65 per cent instead of 100 per cent until 31 December 2032.

The new rules are proposed to be implemented by 1 January 2025 with a five-year gradual phase-in of the output floor, which then would reach its steady state calibration of 72.5 per cent by 1 January 2030.

The removal of the internal model for operational risk, together with the restrictions on the use of internal models for credit risk and the changed methods for market risk, is expected to lead to an increase in the required level of capital for the group on 1 January 2025.

Using recession scenarios and contrasting them to the base scenario of the financial plan, the stress testing framework projects the risk level in relation to the available capital resources. In the stressed scenarios, projected earnings for future years are lower, credit losses increase, and average risk weights in credit portfolios increase due to negative risk class migration. The stress testing framework uses historical experience (such as the Swedish banking crisis in the early 1990's and the Great Financial Crisis) and internal statistics to quantify the level of stress that the base scenario should be exposed to.

SEB typically works with different stress test scenarios designed to reflect both probable and hypothetical scenarios. The probable scenarios have a sufficient connection with historical observation to enable calculation of the likely effect, whereas the hypothetical scenarios represent tail events where historical data is scarce or not available. Care is taken to ensure that the economic parameters fit with each other. A full stress test contains a number of scenarios where more probable outcomes for certain parameters are combined with hypothetical events for other parameters. Performing this kind of stress testing constitutes an important part of SEB's process for capital assessment over the long-term planning horizon. Available and required capital is computed, contingent on the stressed environment, for each year in the scenarios. This makes it possible to assess SEB's financial strength under even more adverse conditions than those assumed in financial plans.

SEB's strong capitalisation was confirmed in EBA's bi-annual EU-wide stress test. In EBA's adverse stress scenario performed in 2021, SEB's CET1 capital ratio would decline from 21.0 per cent to 17.4 per cent, implying a strong resilience in the stressed scenario.

Own funds and capital requirements

Table 49. EU OV1 – Overview of risk weighted exposure amounts

SEK m

		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		31 Dec 2021	30 Sep 2021	31 Dec 2021
1	Credit risk (excluding CCR)	559,287	524,767	44,743
2	*Of which the standardised approach*	*70,941*	*67,642*	*5,675*
3	*Of which the Foundation IRB (F-IRB) approach*	*165,932*	*159,906*	*13,275*
5	*Of which the Advanced IRB (A-IRB) approach*	*322,414*	*297,219*	*25,793*
6	Counterparty credit risk – CCR	31,989	31,256	2,559
7	*Of which the standardised approach*	*2,874*	*2,948*	*230*
8	*Of which internal model method (IMM)*	*14,756*	*14,412*	*1,180*
EU-8a	*Of which exposures to a CCP*	*149*	*685*	*12*
EU-8b	*Of which credit valuation adjustment – CVA*	*9,493*	*9,358*	*759*
9	*Of which other CCR*	*4,718*	*3,854*	*377*
15	Settlement risk	13	2	1
16	*Securitisation exposures in the non-trading book (after the cap)*	*1,976*	*2,123*	*158*
18	*Of which SEC-ERBA (including IAA)*	*1,976*	*2,123*	*158*
20	Position, foreign exchange and commodities risks (Market risk)	31,778	32,311	2,542
21	*Of which the standardised approach*	*5,021*	*11,151*	*402*
22	*Of which IMA*	*26,756*	*21,161*	*2,140*
EU-22a	Large exposures			
23	Operational risk	49,897	50,203	3,992
EU-23c	*Of which advanced measurement approach*	*49,897*	*50,203*	*3,992*
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	24,677	22,642	1,974
	Additional risk exposure amount due to Article 458 CRR	112,551	112,442	9,004
29	**TOTAL**	**787,490**	**753,104**	**62,999**

Table 50. EU CR8 – RWEA flow statements of credit risk exposures under the IRB approach

SEK m		a
		Risk weighted exposure amount
1	**Risk weighted exposure amount as at the end of the previous reporting period**	**457,120**
2	Asset size (+/–)	27,255
3	Asset quality (+/–)	–1,317
4	Model updates (+/–)	
5	Methodology and policy (+/–)	
6	Acquisitions and disposals (+/–)	
7	Foreign exchange movements (+/–)	5,284
8	Other (+/–)	
9	**Risk weighted exposure amount as at the end of the reporting period**	**488,342**

COMMENT

- *REA for credit risk under the IRB approach increased by approximately SEK 31bn, primarily due to an increase in the group's asset size (growth in the corporate portfolio) by approximately SEK 27bn. Moreover, foreign exchange movements, where the SEK depreciated against e.g. the EUR and USD, also contributed to the result. Some of the increment was offset by improvements in the group's asset quality, decreasing REA by approximately SEK 1.3bn.*

Table 51. EU CCR7 – RWEA flow statements of CCR exposures under the IMM

SEK m		a
		RWEA
1	**Risk weighted exposure amount as at the end of the previous reporting period**	**14,427**
2	Asset size	–149
3	Credit quality of counterparties	244
4	Model updates (IMM only)	
5	Methodology and policy (IMM only)	
6	Acquisitions and disposals	
7	Foreign exchange movements	249
8	Other	
9	**Risk weighted exposure amount as at the end of the reporting period**	**14,772**

COMMENT

- *REA for counterparty credit risk under the IMM increased marginally by approximately SEK 0.35bn, due to a minor deterioration in the credit quality of counterparties, as well as foreign exchange movements.*

Table 52. EU MR2-B – RWEA flow statements of market risk exposures under the IMA

SEK m		a	b	c	d	e	f	g
		VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWEAs	Total own funds requirements
1	**Risk weighted exposure amount as at the end of the previous quarter**	**3,025**	**18,136**				**21,161**	**1,693**
1a	*Regulatory adjustment*	*–1,720*	*–13,187*				*–14,907*	*–1,193*
1b	*RWAs at the previous quarter-end (end of the day)*	*1,305*	*4,949*				*6,253*	*500*
2	Movement in risk levels	–521	713				192	15
3	Model updates/changes	2,957					2,957	237
4	Methodology and policy							
5	Acquisitions and disposals							
6	Foreign exchange movements							
7	Other	–2,260	385				–1,876	–150
8a	*RWAs at the end of the reporting period (end of the day)*	*1,481*	*6,046*				*7,527*	*602*
8b	*Regulatory adjustment*	*3,693*	*15,536*				*19,229*	*1,538*
8	**Risk weighted exposure amount as at the end of the reporting period**	**5,174**	**21,582**				**26,756**	**2,140**

COMMENT

- *Market Risk RWA increased by SEK 5.6bn during the fourth quarter mainly due to a higher capital multiplier driven by market volatility. This increase in RWA was mitigated by a larger decrease in RWA during the first three quarters due to the volatile market period of March 2020 going out of the 250-day VaR model scope, resulting in a total decrease for 2021 of SEK 1.3bn.*

Table 53. EU CC1 – Composition of regulatory own funds

SEK m		a	a	b
		31 Dec 2021	30 Jun 2021	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves				
1	Capital instruments and the related share premium accounts	21,942	21,942	(g)
	of which: Instrument type 1			
	of which: Instrument type 2			
	of which: Instrument type 3			
2	Retained earnings	94,302	102,219	(h)
3	Accumulated other comprehensive income (and other reserves)	54,055	49,706	(i)
EU-3a	Funds for general banking risk			
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1			
5	Minority interests (amount allowed in consolidated CET1)			
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	12,485	6,376	(j)
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**182,784**	**180,243**	
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments (negative amount)	−1,133	−1,179	
8	Intangible assets (net of related tax liability) (negative amount)	−5,588	−5,529	(b)
9	Not applicable			
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	−7	−8	(d)
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	18	23	
12	Negative amounts resulting from the calculation of expected loss amounts			
13	Any increase in equity that results from securitised assets (negative amount)			
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	91	116	
15	Defined-benefit pension fund assets (negative amount)	−17,211	−11,303	(c)
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	−3,848	−2,689	
17	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)			
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)			
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)			
20	Not applicable			
EU-20a	Exposure amount of the following items which qualify for a RW of 1.250%, where the institution opts for the deduction alternative			
EU-20b	*of which: qualifying holdings outside the financial sector (negative amount)*			
EU-20c	*of which: securitisation positions (negative amount)*			
EU-20d	*of which: free deliveries (negative amount)*			
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)			
22	Amount exceeding the 17.65% threshold (negative amount)			
23	*of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities*			
24	Not applicable			
25	*of which: deferred tax assets arising from temporary differences*			
EU-25a	Losses for the current financial year (negative amount)			
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)			
26	Not applicable			
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)			
27a	Other regulatory adjusments (including IFRS 9 transitional adjustments when relevant)	−285	−251	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**−27,963**	**−20,820**	
29	**Common Equity Tier 1 (CET1) capital**	**154,821**	**159,423**	
Additional Tier 1 (AT1) capital: instruments				
30	Capital instruments and the related share premium accounts	13,555	12,800	(e)
31	*of which: classified as equity under applicable accounting standards*			
32	*of which: classified as liabilities under applicable accounting standards*	*13,555*	*12,800*	
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1			
EU-33a	Amount of qualifying items referred to in Article 494a(1) subject to phase out from AT1			
EU-33b	Amount of qualifying items referred to in Article 494b(1) subject to phase out from AT1			
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties			
35	*of which: instruments issued by subsidiaries subject to phase out*			
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**13,555**	**12,800**	

Table 53. **EU CC1 – Composition of regulatory own funds**

SEK m		a	a	b
		31 Dec 2021	30 Jun 2021	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Additional Tier 1 (AT1) capital: regulatory adjustments				
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)			
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)			
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)			
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)			
41	Not applicable			
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)			
42a	Other regulatory adjustments to AT1 capital			
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**			
44	**Additional Tier 1 (AT1) capital**	**13,555**	**12,800**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**168,375**	**172,223**	
Tier 2 (T2) capital: instruments				
46	Capital instruments and the related share premium accounts	13,826	8,605	(f)
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2 as described in Article 486 (4) CRR			
EU-47a	Amount of qualifying items referred to in Article 494a (2) subject to phase out from T2			
EU-47b	Amount of qualifying items referred to in Article 494b (2) subject to phase out from T2			
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties			
49	*of which: instruments issued by subsidiaries subject to phase out*			
50	Credit risk adjustments	736	515	
51	**Tier 2 (T2) capital before regulatory adjustments**	**14,562**	**9,120**	
Tier 2 (T2) capital: regulatory adjustments				
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)			
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)			
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)			
54a	Empty set in the EU			
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	–1,200	–1,200	(a)
56	Not applicable			
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)			
56b	Other regulatory adjusments to T2 capital			
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**–1,200**	**–1,200**	
58	**Tier 2 (T2) capital**	**13,362**	**7,920**	
59	**Total capital (TC = T1 + T2)**	**181,737**	**180,143**	
60	**Total risk exposure amount**	**787,490**	**754,768**	
Capital ratios and requirements including buffers				
61	Common Equity Tier 1	19.7%	21.1%	
62	Tier 1	21.4%	22.8%	
63	Total capital	23.1%	23.9%	
64	Institution CET1 overall capital requirements	12.3%	12.5%	
65	*of which: capital conservation buffer requirement*	*2.5%*	*2.5%*	
66	*of which: countercyclical capital buffer requirement*	*0.1%*	*0.1%*	
67	*of which: systemic risk buffer requirement*	*3.0%*	*3.0%*	
EU-67a	*of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement*	*1.0%*	*1.0%*	
EU-67b	*of which: additional own funds requirements to address the risks other than the risk of excessive leverage*	*1.2%*	*1.5%*	
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	**5.9%**	**8.6%**	
69	Not applicable			
70	Not applicable			
71	Not applicable			

Table 53. EU CC1 – Composition of regulatory own funds

SEK m		a	a	b
		31 Dec 2021	30 Jun 2021	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Amounts below the thresholds for deduction (before risk weighting)				
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	3,473	3,578	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	9,203	8,037	
74	Not applicable			
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	667	438	
Applicable caps on the inclusion of provisions in Tier 2				
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)			
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	891	821	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	736	515	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	3,060	2,857	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)				
80	Current cap on CET1 instruments subject to phase out arrangements			
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)			
82	Current cap on AT1 instruments subject to phase out arrangements			
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)			
84	Current cap on T2 instruments subject to phase out arrangements			
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)			

Table 54. EU CC2 – Reconciliation of regulatory own funds to balance sheet in the audited financial statements

SEK m		a	b	c
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	
Dec 31 2021		As at period end	As at period end	Reference
Assets – *Breakdown by asset clases according to the balance sheet in the published financial statements*				
1	Cash and cash balances at central banks	439,344	439,344	
2	Loans to central banks	4,454	4,454	
3	Loans to credit institutions	60,009	59,060	
4	Loans to the public	1,846,362	1,848,253	
5	Debt securities	205,950	193,057	
6	*of which holdings of Tier 2 instruments in financial entities*		*1,200*	*(a)*
7	Equity instruments	120,742	96,452	
8	Financial assets for which the customers bear the investment risk	422,497		
9	Derivatives	126,051	121,210	
10	Other assets	78,822	86,379	
11	*of which intangible assets*		*5,588*	*(b)*
12	*of which defined benefit pension fund assets*		*17,211*	*(c)*
13	*of which deferred tax assets that rely on future profitability*		*7*	*(d)*
14	**Total assets**	**3,304,230**	**2,848,208**	
Liabilities – *Breakdown by liability clases according to the balance sheet in the published financial statements*				
1	Deposits from central banks and credit institutions	75,206	75,414	
2	Deposits and borrowings from the public	1,597,449	1,607,821	
3	Financial liabilities for which the customers bear the investment risk	424,226		
4	Liabilities to policyholders	34,623		
5	Debt securities issued	730,106	730,106	
6	Short positions	34,569	34,569	
7	Derivatives	118,173	113,428	
8	Other financial liabilities	5,721	5,721	
9	Other liabilities	90,929	87,921	
10	*of which Additional Tier 1 instruments*		*13,555*	*(e)*
11	*of which Tier 2 instruments*		*13,826*	*(f)*
12	**Total liabilities**	**3,111,002**	**2,654,980**	
Shareholders' Equity				
1	**Shareholders' Equity**	**193,228**	**193,228**	
2	*of which fully paid up capital instruments*		*21,942*	*(g)*
3	*of which retained earnings*		*94,302*	*(h)*
4	*of which accumulated other comprehensive income and other reserves*		*54,055*	*(i)*
5	*of which independently reviewed result*		*12,485*	*(j)*
6	**Total liabilities and shareholders' equity**	**3,304,230**	**2,848,208**	

COMMENT

- *The difference between regulatory own funds and equity in published financial statements is due to estimated dividend deducted from regulatory own funds, and buyback of own shares deducted from a different row in regulatory own funds. The difference on row Accumulated other comprehensive income and other reserves is explained by inclusion of other reserves on this row in regulatory own funds.*

Table 55. EU CCA – Main features of regulatory own funds instruments and eligible liabilities instruments

31 Dec 2021

1	Issuer	Skandinaviska Enskilda Banken AB (publ)	Skandinaviska Enskilda Banken AB (publ)	Skandinaviska Enskilda Banken AB (publ)	Skandinaviska Enskilda Banken AB (publ)	Skandinaviska Enskilda Banken AB (publ)	Skandinaviska Enskilda Banken AB (publ)
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	SE0000148884	SE0000120784	XS1511589605	XS2404247384	XS1584880352	XS2076169668
2a	Public or private placement	Public	Public	Public	Public	Public	Public
3	Governing law(s) of the instrument	Swedish Law	Swedish Law	English and Swedish Law	English and Swedish Law	English and Swedish Law	English and Swedish Law
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A	N/A	No	Yes	Yes	Yes
Regulatory treatment							
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1	Common Equity Tier 1	Tier 2	Tier 2	Additional Tier 1	Additional Tier 1
5	Post-transitional CRR rules	Common Equity Tier 1	Common Equity Tier 1	Tier 2	Tier 2	Additional Tier 1	Additional Tier 1
6	Eligible at solo/(sub-)consolidated/ solo.&(sub-)consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated
7	Instrument type (types to be specified by each jurisdiction)	Share capital, class A	Share capital, class C	Dated Subordinated Notes	Dated Subordinated Notes	Additional Tier 1 Notes	Additional Tier 1 Notes
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	SEK 21,700m	SEK 241m	SEK 8,705m	SEK 5,121m	SEK 5,422m	SEK 8.133m
9	Nominal amount of instrument	SEK 10	SEK 10	EUR 850m	EUR 500m	USD 600m	USD 900m
EU-9a	Issue price	SEK 100	SEK 10	99%	100%	100%	100%
EU-9b	Redemption price	N/A	N/A	100%	100%	N/A	N/A
10	Accounting classification	Equity	Equity	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	1972	1989	2016-10-31	2021-11-03	2017-03-23	2019-11-05
12	Perpetual or dated	Perpetual	Perpetual	Dated	Dated	Perpetual	Perpetual
13	Original maturity date	N/A	N/A	2028-10-31	2031-11-03	N/A	N/A
14	Issuer call subject to prior supervisory approval	No	No	Yes	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	2023-10-31, 100%. In addition Tax/Regulatory call	2026-11-03, 100%. In addition Tax/Regulatory call	2022-05-13 or at any time thereafter. At Prevailing Principal Amount	2025-05-13 or at any time thereafter. At Prevailing Principal Amount
16	Subsequent call dates, if applicable	N/A	N/A	N/A	N/A	At any time there-after. At Prevailing Principal Amount.	At any time there-after. At Prevailing Principal Amount.
Coupons/dividends							
17	Fixed or floating dividend/coupon	N/A	N/A	Fixed, Annually Payments in arrear	Fixed, Annually Payments in arrear	Fixed, Semi-annually Payments in arrear	Fixed, Semi-annually Payments in arrear
18	Coupon rate and any related index	N/A	N/A	1.375% pa. If not called then new fixed rate set to Euro Swap Rate+Reset margin that is 1.35% pa.	0.75% pa. If not called then new fixed rate set to 5-year EUR Mid-Swap Rate+Reset margin that is 0.88% pa.	5.625% pa. If not called then new fixed rate set to USD Mid-Swap Rate for the relevant 5 Year period+Reset margin that is 3.493%pa.	5.125% pa. If not called then new fixed rate set to USD Mid-Swap Rate for the relevant 5 Year period+Reset margin that is 3.463%pa.
19	Existence of a dividend stopper	N/A	N/A	No	No	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary	Mandatory	Mandatory	Fully discretionary	Fully discretionary
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary	Mandatory	Mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	No	No	No	No	No	No
22	Noncumulative or cumulative	Non-cumulative	Non-cumulative	N/A	N/A	Noncumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Convertible	Convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	5.125% for the bank and 8% for the group	5.125% for the bank and 8% for the group
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	Fully	Fully
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	Higher of (i) the current market price, (ii) the floor price or (iii) the nominal value.	Higher of (i) the current market price, (ii) the floor price or (iii) the nominal value.
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	Mandatory	Mandatory
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	A shares	A shares
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	Issuer	Issuer
30	Write-down features	No	No	No	No	No	No
31	If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	N/A	N/A	N/A	N/A	N/A	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	1	1	3	3	2	2
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Additional Tier 1	Additional Tier 1	Senior Debt	Senior Debt	Tier 2	Tier 2
36	Non-compliant transitioned features	No	No	No	No	No	No
37	If yes, specify non-compliant features	N/A	N/A				
37a	Link to the full term and conditions of the instrument (signposting)	Aktien | SEB (sebgroup.com)	Aktien | SEB (sebgroup.com)	Skuldtransaktioner | SEB (sebgroup.com)	Skuldtransaktioner | SEB (sebgroup.com)	Skuldtransaktioner | SEB (sebgroup.com)	Skuldtransaktioner | SEB (sebgroup.com)

N/A if the question is not applicable

Table 56. EU KM2 – Key metrics – MREL and, where applicable, G-SII requirement for own funds and eligible liabilities

SEK m		a
31 Dec 2021		**Minimum requirement for own funds and eligible liabilities (MREL)**
Own funds and eligible liabilities, ratios and components		
1	Own funds and eligible liabilities	280,763
EU-1a	Of which own funds and subordinated liabilities	211,821
2	Total risk exposure amount of the resolution group (TREA)	787,490
3	Own funds and eligible liabilities as a percentage of TREA (row1/row2)	35.7%
EU-3a	Of which own funds and subordinated liabilities	26.9%
4	Total exposure measure of the resolution group	3,352,452
5	Own funds and eligible liabilities as percentage of the total exposure measure	8.4%
EU-5a	Of which own funds or subordinated liabilities	6.3%

Table 57. EU TLAC3b – Creditor ranking – resolution entity

SEK m		Insolvency ranking					
		1	3	4	6	7	
31 Dec 2021		**(most junior)**				**(most senior)**	
1	**Description of insolvency rank (free text)**	**Common equity (CET1)**	**Additional Tier 1 instruments**	**Tier 2 instruments**	**Senior non-preferred debt**	**Senior unsecured debt incl. wholesale depos**	**Total**
2	Empty set in the EU						
3	Empty set in the EU						
4	Empty set in the EU						
5	Own funds and liabilities potentially eligible for meeting MREL	131,207	13,555	13,174	30,083	68,942	**256,960**
6	*of which residual maturity ≥ 1 year <2 years*					*32,948*	***32,948***
7	*of which residual maturity ≥ 2 year <5 years*					*35,297*	***35,297***
8	*of which residual maturity ≥ 5 years <10 years*			*13,174*	*30,083*		***43,257***
9	*of which residual maturity ≥ 10 years, but excluding perpetual securities*					*696*	***696***
10	*of which perpetual securities*	*131,207*	*13,555*				***144,761***

Table 58. EU TLAC1 – Composition – MREL and, where applicable, G-SII Requirement for own funds and eligible liabilities

SEK m		a
31 Dec 2021		**Minimum requirement for own funds and eligible liabilities (MREL)**
Own funds and eligible liabilities and adjustments		
1	Common Equity Tier 1 capital (CET1)	154,821
2	Additional Tier 1 capital (AT1)	13,555
3	Empty set in the EU	
4	Empty set in the EU	
5	Empty set in the EU	
6	Tier 2 capital (T2)	13,362
7	Empty set in the EU	
8	Empty set in the EU	
11	Own funds for the purpose of Articles 92a CRR and 45 BRRD	181,737
Own funds and eligible liabilities: Non-regulatory capital elements		
12	Eligible liabilities instruments issued directly by the resolution entity that are subordinated to excluded liabilities (not grandfathered)	30,083
EU-12a	Eligible liabilities instruments issued by other entities within the resolution group that are subordinated to excluded liabilities (not grandfathered)	
EU-12b	Eligible liabilities instruments that are subordinated to excluded liabilities, issued prior to 27 June 2019 (subordinated grandfathered)	
EU-12c	Tier 2 instruments with a residual maturity of at least one year to the extent they do not qualify as Tier 2 items	
13	Eligible liabilities that are not subordinated to excluded liabilities (not grandfathered pre cap)	57,964
EU-13a	Eligible liabilities that are not subordinated to excluded liabilities issued prior to 27 June 2019 (pre-cap)	10,978
14	Amount of non subordinated instruments eligible, where applicable after application of Article 72b (3) CRR	68,942
15	Empty set in the EU	
16	Empty set in the EU	
17	Eligible liabilities items before adjustments	99,025
EU-17a	*Of which subordinated*	*30,083*
Own funds and eligible liabilities: Adjustments to non-regulatory capital elements		
18	Own funds and eligible liabilities items before adjustments	280,763
19	(Deduction of exposures between MPE resolution groups)	
20	(Deduction of investments in other eligible liabilities instruments)	
21	Empty set in the EU	
22	Own funds and eligible liabilities after adjustments	280,763
EU-22a	*Of which own funds and subordinated*	*211,821*
Risk-weighted exposure amount and leverage exposure measure of the resolution group		
23	Total risk exposure amount	787,490
24	Total exposure measure	3,352,452
Ratio of own funds and eligible liabilities		
25	Own funds and eligible liabilities (as a percentage of total risk exposure amount)	35.7%
EU-25a	*Of which own funds and subordinated*	*26.9%*
26	Own funds and eligible liabilities (as a percentage of total exposure measure)	8.4%
EU-26a	*Of which own funds and subordinated*	*6.3%*
27	CET1 (as a percentage of TREA) available after meeting the resolution group's requirements	13.2%
28	Institution-specific combined buffer requirement	
29	*of which: capital conservation buffer requirement*	
30	*of which: countercyclical buffer requirement*	
31	*of which: systemic risk buffer requirement*	
EU-31a	*of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer*	
Memorandum items		
EU-32	Total amount of excluded liabilities referred to in Article 72a(2) CRR	

Table 59. EU CCyB1 – Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

SEK m	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures – Market risk		Securitisation exposure		Own fund requirements						
31 Dec 2021	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures – Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
Breakdown by country													
1 Sweden	27,142	1,266,676	1,102			**1,294,920**	23,819	69		**23,888**	298,601	50.6	
2 Denmark	1,113	98,262	65			**99,440**	2,208	5		**2,213**	27,665	4.7	
3 Norway	3,572	104,477	735			**108,784**	2,676	22		**2,698**	33,720	5.7	1.0
4 Finland	1,802	108,557	72			**110,432**	2,073	5		**2,078**	25,975	4.4	
5 Estonia	5,274	63,538	0			**68,812**	2,196	0		**2,196**	27,452	4.7	
6 Latvia	2,001	30,988				**32,989**	1,223			**1,223**	15,285	2.6	
7 Lithuania	4,573	70,812	0			**75,385**	2,493	0		**2,493**	31,162	5.3	
8 Germany	1,522	92,358	21		7,673	**101,574**	3,113	2	85	**3,199**	39,990	6.8	
9 United Kingdom	2,660	56,148	18		4,051	**62,878**	1,723	1	73	**1,797**	22,467	3.8	
10 Other	9,636	191,898	115			**201,649**	5,433	9		**5,443**	68,033		
11 **Total**	**59,294**	**2,083,715**	**2,129**		**11,724**	**2,156,862**	**46,956**	**114**	**158**	**47,228**	**590,351**		

COMMENT

- *On September 29, 2021 the Swedish FSA decided to raise the countercyclical buffer rate from 0 per cent to 1.0 per cent. The new Swedish buffer rate will be applicable as at September 29, 2022 and until then the buffer rate will remain at zero. During 2021, other Nordic as well as Baltic competent authorities also have decided to raise the countercyclical buffer rate with effect in 2022.*

Table 60. EU CCyB2 – Amount of institution-specific countercyclical capital buffer

SEK m	a	a
	31 Dec 2021	**30 Jun 2021**
1 Total risk exposure amount	787,490	754,768
2 Institution specific countercyclical capital buffer rate	0.07%	0.06%
3 Institution specific countercyclical capital buffer requirement	537	463

Table 61. EU LR1 – LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

SEK m		a	a
		Applicable amount	
		31 Dec 2021	**30 Jun 2021**
1	Total assets as per published financial statements	3,304,230	3,444,774
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	−456,023	−409,450
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)		
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))		
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with point (i) of Article 429a(1) CRR)		
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting		
7	Adjustment for eligible cash pooling transactions	−3,002	−3,648
8	Adjustments for derivative financial instruments	−18,209	1,104
9	Adjustment for securities financing transactions (SFTs)	−7,659	−4,325
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	371,209	570,349
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	−1,133	−1,179
EU-11a	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)		
EU-11b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (j) of Article 429a(1) CRR)		
12	Other adjustments	163,038	21,448
13	**Total exposure measure**	**3,352,452**	**3,619,072**

Table 62. EU LR2 – LRCom: Leverage ratio common disclosure

SEK m		a	a
		CRR leverage ratio exposures	
		31 Dec 2021	30 Jun 2021
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	2,732,942	2,768,623
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework		
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	−21,722	−19,634
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)		
5	(General credit risk adjustments to on-balance sheet items)		
6	(Asset amounts deducted in determining Tier 1 capital)	−27,963	−42,336
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	2,683,257	2,706,653
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	29,175	28,114
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach		
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	79,168	79,794
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach		
EU-9b	Exposure determined under Original Exposure Method		
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)		
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)		
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)		
11	Adjusted effective notional amount of written credit derivatives	4,926	11,175
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	−328	−3,299
13	Total derivatives exposures	112,941	115,783
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	192,705	209,097
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	−17,897	10,758
16	Counterparty credit risk exposure for SFT assets	10,238	6,433
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR		
17	Agent transaction exposures		
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)		
18	Total securities financing transaction exposures	185,047	226,287
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	863,651	1,097,014
20	(Adjustments for conversion to credit equivalent amounts)	−492,443	−526,665
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)		
22	Off-balance sheet exposures	371,209	570,349

Table 62. EU LR2 – LRCom: Leverage ratio common disclosure

SEK m		a	a
		CRR leverage ratio exposures	
		31 Dec 2021	30 Jun 2021
Excluded exposures			
EU-22a	(Exposures excluded from total exposure measure in accordance with point (c) of Article 429a(1) CRR)		
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off balance sheet))		
EU-22c	(Excluded exposures of public development banks (or units) – Public sector investments)		
EU-22d	(Excluded exposures of public development banks (or units) – Promotional loans): – Promotional loans granted by a public development credit institution – Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State – Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)		
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units)): – Promotional loans granted by a public development credit institution – Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State – Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)		
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	–1	–1
EU-22g	(Excluded excess collateral deposited at triparty agents)		
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)		
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)		
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)		
EU-22k	(Total exempted exposures)	–1	–1
Capital and total exposure measure			
23	Tier 1 capital	168,375	172,223
24	Total exposure measure	3,352,452	3,619,072
Leverage ratio			
25	Leverage ratio	5.0	4.8
EU-25	Leverage ratio excluding the impact of the exemption of public sector investments and promotional loans) (%)	5.0	4.8
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	5.0	4.8
26	Regulatory minimum leverage ratio requirement (%)	3.0	3.0
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)		
EU-26b	*of which: to be made up of CET1 capital (percentage points)*		
27	Leverage ratio buffer requirement (%)		
EU-27a	Overall leverage ratio requirement (%)	3.0	3.0
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure		
Disclosure of mean values			
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	180,537	204,043
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	174,809	210,447
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	3,358,181	3,612,668
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	3,358,181	3,612,668
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	5.0	4.8
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	5.0	4.8

Table 63. EU LR3 – LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

SEK m		a	a
		CRR leverage ratio exposures	
		31 Dec 2021	30 Jun 2021
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	2,732,942	2,768,623
EU-2	Trading book exposures	65,971	210,557
EU-3	Banking book exposures, of which:	2,666,971	2,558,066
EU-4	Covered bonds	20,039	28,550
EU-5	Exposures treated as sovereigns	600,939	664,014
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns		
EU-7	Institutions	111,074	102,898
EU-8	Secured by mortgages of immovable properties	1,011,608	978,500
EU-9	Retail exposures	66,487	63,828
EU-10	Corporates	526,015	486,828
EU-11	Exposures in default	3,900	4,740
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	326,908	228,708

SEB's consolidated situation

Scope of application of the regulatory framework

The group is comprised by banking, finance, securities and insurance companies. The parent company of the group is Skandinaviska Enskilda Banken AB (publ), corporate registration number 502032-9081. The capital adequacy rules apply to each individual group company that has a license to carry out banking, finance or securities operations as well as to the consolidated group. Group companies that carry out insurance operations have to comply with solvency requirements but are excluded in the capital adequacy.

The tables below show the scope of consolidation and the difference between the accounting and regulatory scopes of consolidation due to the insurance operations.

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 186.3bn bn while the own funds amounted to SEK 235.2bn. In these total figures, SEB Life and Pension Holding AB has contributed with Solvency II figures from 30 September 2021.

Table 64. EU INS1 – Insurance participations

SEK m	a	b
31 Dec 2021	Exposure value	Risk exposure amount
Holdings of own funds instruments of a financial sector entity where the institution has a significant investment not deducted from own funds (before risk weighting)	9,011	22,527

SEK m	a	b
31 Dec 2020	Exposure value	Risk exposure amount
Holdings of own funds instruments of a financial sector entity where the institution has a significant investment not deducted from own funds (before risk weighting)	6,653	16,633

Table 65. EU INS2 – Financial conglomerates information on own funds and capital adequacy ratio

SEK m		a	
		31 Dec 2021	31 Dec 2020
1	Supplementary own fund requirements of the financial conglomerate (amount)	186,319	157,621
2	Capital adequacy ratio of the financial conglomerate (%)	126%	142%

Table 66. EU LI1 – Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

SEK m	a	b	c	d	e	f	g
			Carrying values of items:				
31 Dec 2021	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
ASSETS							
Cash and cash balances at central banks	439,344	439,344	439,344				
Loans to central banks	4,454	4,454	3,973	481		481	
Loans to credit institutions	60,009	59,060	52,266	5,906		888	
Loans to the public	1,846,362	1,848,253	1,755,821	81,274	11,158	81,274	
Debt securites	205,950	193,057	138,170			53,687	1,200
Equity instruments	120,742	96,452	7,168			89,284	
Financial assets for which the customers bear the investment risk	422,497						
Derivatives	126,051	121,210		121,210		121,210	
Other assets	78,822	86,379	63,573				22,806
TOTAL ASSETS	**3,304,230**	**2,848,208**	**2,460,315**	**208,871**	**11,158**	**346,824**	**24,006**
LIABILITIES							
Deposits from central banks and credit institutions	75,206	75,414					
Deposits and borrowing from the public	1,597,449	1,607,821					
Financial liabilities for which the customers bear the investment risk	424,226						
Liabilities to policyholders	34,623						
Debt securities issued	730,106	730,106					
Short positions	34,569	34,569					
Derivatives	118,173	113,428		113,428		113,428	
Other financial liabilities	5,721	5,721					
Other liabilities	90,929	87,921					
TOTAL LIABILITIES	**3,111,002**	**2,654,980**		**113,428**		**113,428**	
Total equity	**193,228**	**193,228**					
TOTAL LIABILITIES AND EQUITY	**3,304,230**	**2,848,208**					

Table 67. EU LI2 – Main sources of differences between regulatory exposure amounts and carrying values in financial statements

SEK m	a	b	c	d	e
		Items subject to:			
Dec 31 2021	Total	Credit risk framework	Counterparty credit risk framework	Securitisation framework	Market risk framework
1 **Asset carrying value amount under the scope of regulatory consolidation (as per template EU LI1)**	**3,027,168**	**2,460,315**	**208,871**	**11,158**	**346,824**
2 Liabilities carrying value amount under the regulatory scope of consolidation (as per template EU LI1)	**226,856**		113,428		113,428
3 Total net amount under regulatory scope of consolidation	**3,027,168**	2,460,315	208,871	11,158	346,824
4 Off-balance sheet amounts	**863,651**	314,732	55,910	567	
Differences due to impact of collaterals	**–5,999**	*–5,999*			
Differences due to different netting rules, other than those already included in row 2	**–334,666**		*–69,137*		*–265,529*
10 **EXPOSURE AMOUNTS CONSIDERED FOR REGULATORY PURPOSES**	**3,550,154**	**2,769,048**	**195,644**	**11,725**	**81,295**

Table 68. EU LI3 – Outline of the differences in the scopes of consolidation (entity by entity)

a	b	c	d	e	f	g	h
		Method of regulatory consolidation					
Name of the entity	Method of accounting consolidation	Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	Description of the entity
DSK Hyp AG, (former SEB AG), Frankfurt am Main	Full consolidation	✓					Credit institution
SEB Bank JSC, St Petersburg	Full consolidation	✓					Credit institution
SEB Banka, AS, Riga	Full consolidation	✓					Credit institution
SEB bankas, AB, Vilnius	Full consolidation	✓					Credit institution
SEB Corporate Bank, PJSC, Kiev	Full consolidation	✓					Credit institution
SEB Kort Bank AB, Stockholm	Full consolidation	✓					Credit institution
SEB Leasing Oy, Helsinki	Full consolidation	✓					Financial institution (other)
SEB Njord AS, Oslo	Full consolidation	✓					Financial institution (other)
SEB Pank, AS, Tallinn	Full consolidation	✓					Credit institution
Skandinaviska Enskilda Ltd, London	Full consolidation	✓					Financial institution (other)
Aktiv Placering AB, Stockholm	Full consolidation	✓					Other type of entity
SEB Förvaltnings AB, Stockholm	Full consolidation	✓					Other type of entity
SEB Investment Management AB, Stockholm	Full consolidation	✓					Financial institution (other)
SEB Securities Inc., New York	Full consolidation	✓					Financial institution (other)
SEB Strategic Investments AB, Stockholm	Full consolidation	✓					Other type of entity
Försäkringsaktiebolaget Skandinaviska Enskilda Captive, Stockholm	Full consolidation			✓			Insurance companies
Repono Holding AB, Stockholm	Full consolidation			✓			Insurance companies
SEB Life and Pension Holding AB, Stockholm	Full consolidation			✓			Insurance companies
Bankomat AB, Stockholm	Equity method			✓			Ancillary services undertaking
BGC Holding AB, Stockholm	Equity method			✓			Ancillary services undertaking
Getswish AB, Stockholm	Equity method			✓			Ancillary services undertaking
P27 Nordic Payments AB	Equity method			✓			Ancillary services undertaking
USE Intressenter AB, Stockholm	Equity method			✓			Ancillary services undertaking
Cinder Invest AB, Stockholm	Equity method			✓			Investment firm
Finansiell ID-Teknik BID AB, Stockholm	Equity method			✓			Ancillary services undertaking
Invidem AB (former Nordic KYC Utility AB), Stockholm	Equity method			✓			Ancillary services undertaking
Enskilda Kapitalförvaltning SEB AB, Stockholm	Full consolidation	✓					Other type of entity
IFA DBB AB, Stockholm	Full consolidation	✓					Other type of entity
Parkeringshuset Lasarettet HGB KB, Stockholm	Full consolidation	✓					Other type of entity
SEB do Brasil Representacões LTDA, Sao Paulo	Full consolidation	✓					Other type of entity
SEB Internal Supplier AB, Stockholm	Full consolidation	✓					Other type of entity
Skandinaviska Kreditaktiebolaget, Stockholm	Full consolidation	✓					Other type of entity

Own funds of significant subsidiaries

The table below shows own funds, risk exposure amounts and key ratios for subsidiaries within the group that are considered significant and are of material significance in their local markets according to Article 13 of Regulation (EU) No 575/2013 (CRR). Information specified in articles 437, 438, 440, 442, 450, 451 and 453 of the CRR can be found in the local reporting on the web site for respective subsidiary.

Table 69. EU KM1 – Capital position of significant subsidiaries

SEK m		SEB Pank AS Estonia		SEB Banka AS Latvia		SEB bankas AB Lithuania	
		www.seb.ee		www.seb.lv		www.seb.lt	
		31 Dec 2021	31 Dec 2020	**31 Dec 2021**	31 Dec 2020	**31 Dec 2021**	31 Dec 2020
Available own funds (amounts)							
1	Common Equity Tier 1 (CET1) capital	9,476	9,360	4,154	3,961	8,406	8,155
2	Tier 1 capital	9,476	9,360	4,154	3,961	8,406	8,155
3	Total capital	9,504	9,404	4,206	3,961	8,450	8,259
Risk-weighted exposure amounts							
4	Total risk-weighted exposure amount	34,452	33,050	18,781	18,211	38,811	38,535
Capital ratios (as a percentage of risk-weighted exposure amount)							
5	Common Equity Tier 1 ratio (%)	27.5	28.3	22.1	21.7	21.7	21.2
6	Tier 1 ratio (%)	27.5	28.3	22.1	21.7	21.7	21.2
7	Total capital ratio (%)	27.6	28.5	22.4	21.7	21.8	21.4
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)							
EU-7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.0	2.3	2.0	2.3	2.0	2.0
EU-7b	*of which: to be made up of CET1 capital (percentage points)*	*1.1*	*1.3*	*1.1*	*1.3*	*1.1*	*1.1*
EU-7c	*of which: to be made up of Tier 1 capital (percentage points)*	*1.5*	*1.7*	*1.5*	*1.7*	*1.5*	*1.5*
EU-7d	Total SREP own funds requirements (%)	10.0	10.3	10.0	10.3	10.0	10.0
Additional CET1 buffer requirements as a percentage of RWA							
8	Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5	2.5
EU-8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)						
9	Institution specific countercyclical capital buffer (%)						
EU-9a	Systemic risk buffer (%)						
10	Global Systemically Important Institution buffer (%)						
EU-10a	Other Systemically Important Institution buffer	2.0	2.0	1.5	1.8	2.0	2.0
11	Combined buffer requirement (%)	4.5	4.5	4.0	4.3	4.5	4.5
EU-11a	Overall capital requirements (%)	14.8	14.8	14.0	14.5	14.5	14.5
12	CET1 available after meeting the total SREP own funds requirements (%)	17.5	18.1	12.1	11.5	11.7	11.2
Leverage ratio							
13	Total exposure measure	87,300	80,419	50,393	46,793	121,776	111,655
14	Leverage ratio (%)	10.9	11.6	8.2	8.5	6.9	7.3
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)							
EU-14a	Additional own funds requirements to address the risk of excessive leverage (%)						
EU-14b	*of which: to be made up of CET1 capital (percentage points)*						
EU-14c	Total SREP leverage ratio requirements (%)	3.0		3.0		3.0	
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)							
EU-14d	Leverage ratio buffer requirement (%)						
EU-14e	Overall leverage ratio requirements (%)	3.0		3.0		3.0	
Liquidity Coverage Ratio							
15	Total high-quality liquid assets (HQLA) (Weighted value)	8,081		7,661		25,054	
EU-16a	Cash outflows – Total weighted value	11,137		6,121		16,310	
EU-16b	Cash inflows – Total weighted value	7,722		5,394		19,805	
16	Total net cash outflows (adjusted value)	3,415		1,530		4,078	
17	Liquidity coverage ratio (%)	237		501		614	
Net Stable Funding Ratio							
18	**Total available stable funding**	**56,734**		**36,722**		**89,388**	
19	**Total required stable funding**	**43,497**		**22,532**		**47,908**	
20	**NSFR ratio (%)**	**130**		**163**		**187**	

Remuneration

SEB's remuneration principles, governance- and remuneration structures are laid out in the Remuneration Policy. The Remuneration Policy stipulates that remuneration shall be aligned with the bank's strategy, goals, values and long-term interests and ensure that conflicts of interest are avoided. This shall build value for both SEB and the shareholders while promoting the best interest of the customers, encourage high performance, and risk-taking that is aligned with the risk tolerance level set by the Board of Directors, and sound and responsible behaviour based on SEB's values. These objectives are applicable to all employees.

→ For further information about SEB's remuneration structure and systems, including description of the governance model relating to remuneration as well as the responsibility of RemCo, please refer to the Annual report, Board Committees and Remuneration sections in the Report of Directors and note 8.

Remuneration Policy

The Remuneration Policy is adopted each year by the Board, based on a proposal by the Remuneration and Human Resource Committee of the Board (RemCo). The proposal is preceded by a risk analysis involving relevant control functions. The risk analysis is also reviewed and approved by the Risk and Capital Committee of the Board (RCC). The RemCo is also responsible for following up and evaluating the adopted remuneration and incentive programmes as well as to yearly receive a review of SEB's adherence to the Remuneration Policy, performed by an internal control function.

The Remuneration Policy is applicable to all employees, in all geographies, within the group, including staff that has a material impact on the risk profile of the bank (Identified staff). Subsidiaries have specific remuneration policies that are aligned with the group's Remuneration Policy but, were relevant, take into account and are aligned with sector specific regulations.

Senior managers, other key employees and employees in certain business units where it is standard market practice, are offered individual variable remuneration. SEB utilises both deferred and non-deferred as well as collective- and individual variable remuneration models. Variable remuneration is a means to drive and reward performance and behaviours to create long-term shareholder value. Moreover, it is also an essential way of securing flexibility in the remuneration cost. Equity-based remuneration is a mean to attract and retain employees with key competence. It also provides an incentive for employees to be shareholders of SEB which promotes long-term commitment that is aligned with the shareholders' interests.

In 2021, the Remuneration Policy was updated to reflect regulatory requirements related to ESG risks and regulatory changes relating to Identified staff. For the latter part relating to the criteria for identification based on EU 2021/923 and the changes relating to payment of variable remuneration to Identified staff as set out in FFFS 2021:1.

For Identified staff, the Remuneration Policy stipulates a maximum level of variable remuneration that may not exceed 100 per cent of the fixed remuneration.

The Remuneration Policy sets out the different categories of Identified staff. The categorisation is based on the risk analysis of the remuneration structures prepared by the control functions.

The following categories are used to determine which positions are Identified staff:

1. Members of the Board and Group Executive Committee
2. Senior Management
3. Heads of Material Business Areas/Units
4. Responsible persons within Group Control Functions
5. Heads of Legal department and support functions
6. Employees with mandate to take decisions that materially affect the risk position of the bank
7. Members of New Product Approval Committees.

The Remuneration Policy furthermore stipulates that control functions should be remunerated independently of the business they oversee. This is achieved by ensuring that final determinations of remuneration for employees within control functions are not made in the business units they oversee. As a general rule, employees within the control functions may normally not participate in individual variable remuneration programmes.

For all staff, including Identified staff, guaranteed variable remuneration shall be awarded and paid in line with the remuneration structure and provisions of the applicable unit and position and is limited to the first performance year of employment.

Redundancy payments shall follow the requirements in local labour law and/or collective bargaining agreements, as applicable, and shall mirror the employee's performance, employment period and cannot reward failure or misconduct. Any variable remuneration paid in connection to the termination of employment shall reflect the employee's performance and shall not promote excessive risk-taking.

All variable remuneration is based on SEB's Risk Adjusted Performance Measurement ("RAPM") model derived from SEB's business steering model, the Business Equity model, used to distribute equity to the divisions. The model takes into account the cost of liquidity and establishes the risk adjusted result, by deducting the cost of equity from the gross result, which sets the foundations for any variable remuneration.

Individual variable remuneration is determined based on SEB's, the relevant business area's/business unit's/team's and the individual's performance. SEB's and the relevant business area's/business unit's/team's performance is measured using specific targets and key indicators defined in the respective business plans. The specific targets vary between years and is a combination of financial- and non-financial targets such as customer satisfaction or targets relating to sustainability. Individual performance is evaluated according to an appropriate balance between quantitative and qualitative, including financial- and non-financial, measures within SEB's target areas derived from the applicable business. The criteria are evaluated in different ways. On group and divisional/unit level, the financial result in terms of Operating cost, Operating profit, Return on Equity (RoE), Return on Business Equity (RoBE) and the risk adjusted result are followed up. The non-financial targets include for example ESG targets and criteria relating to compliance with external and internal regulations and policies. Ultimately, the determination is based on an overall assessment with a balanced, non-formulaic but stringent and strongly governed approach to the final allocation.

SEB always apply deferrals on individual variable remuneration above certain thresholds for both Identified staff and non-identified staff. The deferral levels for Identified staff are aligned with the relevant regulations were at least 40 per cent of the total variable remuneration shall be deferred and subject to risk adjustment and malus conditions. For senior management and employees receiving high level of variable remuneration, the deferral level shall be at least 60 per cent.

In addition, at least 50 per cent of the total variable remuneration, i.e. both the deferred and non-deferred variable remuneration, shall be allocated in SEB shares or equivalent equity-based instruments or, were relevant, in fund units of the funds managed. All equity allotments, i.e. both the deferred and non-deferred part, shall have a one-year mandatory holding period. Equity deferrals will be allotted in form of LTI programmes and paid out according to its programme structure and terms and conditions. The length of Equity deferrals (may be paid pro-rata) subject to risk adjustment before pay-out, is at least four years for Identified staff and for senior management at least five years. A further requirement for vesting for members of the Group Executive Committee (GEC) 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.

Deferred variable remuneration is subject to ex-post risk adjustment. SEB applies certain criteria for risk adjustments at group, division/business area/business unit and individual levels respectively, that includes restatement of SEB's financial statements, significant failure of risk management that negatively impacts the financial result or compliance breaches.

Table 70. EU REM1 – Remuneration awarded for the financial year

SEK 31 Dec 2021			a MB Supervisory-function	b MB Management function	c Other senior management	d Other identified staff
1		Number of identified staff	12	7	184	714
2		Total fixed remuneration	15,785,873	37,177,538	506,185,655	1,154,604,641
3		*Of which: cash-based*	*15,785,873*	*37,177,538*	*506,185,655*	*1,154,604,641*
4		*(Not applicable in the EU)*				
EU-4a	**Fixed remuneration**	*Of which: shares or equivalent ownership interests*				
5		*Of which: share-linked instruments or equivalent non-cash instruments*				
EU-5x		*Of which: other instruments*				
6		*(Not applicable in the EU)*				
7		*Of which: other forms*				
8		*(Not applicable in the EU)*				
9		Number of identified staff		6	143	460
10		Total variable remuneration		9,585,360	127,817,200	296,842,799
11		*Of which: cash-based*			*24,485,828*	*141,547,162*
12		*Of which: deferred*			*14,691,497*	*61,710,935*
EU-13a		*Of which: shares or equivalent ownership interests*		*9,585,360*	*103,331,372*	*155,295,637*
EU-14a	**Variable remuneration**	*Of which: deferred*		*9,585,360*	*102,197,836*	*121,307,093*
EU-13b		*Of which: share-linked instruments or equivalent non-cash instruments*				
EU-14b		*Of which: deferred*				
EU-14x		*Of which: other instruments*				
EU-14y		*Of which: deferred*				
15		*Of which: other forms*				
16		*Of which: deferred*				
17	**Total remuneration (2 + 10)**		**15,785,873**	**46,762,898**	**634,002,855**	**1,451,447,440**

Table 71. EU REM2 – Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

SEK		a	b	c	d
31 Dec 2021		MB Supervisory-function	MB Management function	Other senior management	Other identified staff
	Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards – Number of identified staff				
2	Guaranteed variable remuneration awards – Total amount				
3	*Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap*				
	Severance payments awarded in previous periods, that have been paid out during the financial year				
4	Severance payments awarded in previous periods, that have been paid out during the financial year – Number of identified staff				
5	Severance payments awarded in previous periods, that have been paid out during the financial year – Total amount				
	Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year – Number of identified staff			2	20
7	Severance payments awarded during the financial year – Total amount			3,274,430	22,465,963
8	*Of which paid during the financial year*			*3,274,430*	*3,274,430*
9	*Of which deferred*				
10	*Of which severance payments paid during the financial year, that are not taken into account in the bonus cap*			*3,274,430*	*3,274,430*
11	*Of which highest payment that has been awarded to a single person*				*3,091,550*

Table 72. EU REM3 – Deferred remuneration

SEK		a	b	c	d	e	f	EU - g	EU - h
Deferred and retained remuneration 31 Dec 2021		Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. Changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	MB Supervisory function								
2	*Cash-based*								
3	*Shares or equivalent ownership interests*								
4	*Share-linked instruments or equivalent non-cash instruments*								
5	*Other instruments*								
6	*Other forms*								
7	MB Management function								
8	*Cash-based*								
9	*Shares or equivalent ownership interests*	*25,341,504*	*6,561,712*	*18,779,792*		*60,000*		*5,451,712*	*5,451,712*
10	*Share-linked instruments or equivalent non-cash instruments*								
11	*Other instruments*								
12	*Other forms*								
13	Other senior management								
14	*Cash-based*	*37,978,409*	*14,344,488*	*23,633,920*				*14,344,488*	
15	*Shares or equivalent ownership interests*	*435,893,323*	*74,471,095*	*361,422,228*				*74,471,095*	*74,471,095*
16	*Share-linked instruments or equivalent non-cash instruments*								
17	*Other instruments*								
18	*Other forms*								
19	Other identified staff								
20	*Cash-based*	*166,251,057*	*60,979,715*	*105,271,342*				*60,827,114*	
21	*Shares or equivalent ownership interests*	*391,528,361*	*113,188,635*	*278,339,725*				*112,660,789*	*112,660,789*
22	*Share-linked instruments or equivalent non-cash instruments*								
23	*Other instruments*								
24	*Other forms*								
25	**Total amount**	**1,056,992,654**	**269,545,646**	**787,447,008**		**60,000**		**267,755,198**	**192,583,596**

Table 73. EU REM4 – Remuneration of 1 million EUR or more per year

31 Dec 2021	a Identified staff that are high earners as set out in Article 450 (i) CRR
1 1,000,000 to below 1,500,000	5
2 1,500,000 to below 2,000,000	1

Table 74. EU REM5 – Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

SEK	a	b	c	d	e	f	g	h	i	j
	Management body remuneration			Business areas						
31 Dec 2021	MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1 **Total number of identified staff**										**917**
2 *Of which: members of the MB*	*12*	*7*	**19**							
3 *Of which: other senior management*				*5*	*61*	*13*	*58*	*12*	*35*	
4 *Of which: other identified staff*				*116*	*312*	*48*	*53*	*106*	*79*	
5 Total remuneration of identified staff	15,745,873	46,762,898	**62,508,771**	379,617,814	761,579,484	178,518,411	240,378,376	202,012,096	323,343,112	
6 *Of which: variable remuneration*		*9,585,360*	**9,585,360**	*115,738,414*	*161,485,564*	*49,608,680*	*37,456,825*		*60,370,516*	
7 *Of which: fixed remuneration*	*15,745,873*	*37,177,538*	**52,923,411**	*263,879,400*	*600,093,920*	*128,909,731*	*202,921,551*	*202,012,096*	*262,972,596*	

Definitions

Asset encumbrance An asset is considered encumbered if it has been pledged or if it is subject to any form of arrangement to secure, collateralise or credit enhance any transaction from which it cannot be freely withdrawn.

Average risk weight Total risk-weighted exposures divided by credit exposures post-CCF and post-CRM. Also referred to REA density or RWA density.

Back-testing A statistical technique used to monitor and assess the accuracy of a model, and how that model would have performed had it been applied in the past.

Capital conservation buffer Buffer under Basel III designed to ensure banks build up capital buffers outside periods of stress which can be drawn down as losses are incurred. Should capital levels fall within the capital conservation buffer range capital distributions will be constrained by the regulators.

Common Equity Tier 1 capital (CET1) Shareholders' equity excluding proposed dividend, deferred tax assets, intangible assets and certain other regulatory adjustments defined in EU Regulation no 575/2013 (CRR).

Common Equity Tier 1 capital ratio Common Equity Tier 1 capital as a percentage of risk exposure amount.

Countercyclical capital buffer Capital buffer financial institutions are required to hold in addition to other minimum capital requirements. Aims to achieve the broader macroprudential goal of protecting the banking sector from periods of excess aggregate credit growth that have often been associated with the buildup of system-wide risk.

Credit conversion factor (CCF) Factor used when calculating EAD for off-balance sheet items. CCF is an estimate of the proportion of undrawn commitments expected to have been drawn down at the point of default.

Credit risk mitigation (CRM) A range of techniques and strategies to actively mitigate credit risks to which the bank is exposed, e.g. collateral, netting and risk transfer.

Credit value adjustment (CVA) Capital charge to cover the risk of mark-to-market losses on the expected counterparty risk to OTC derivatives. CVA is the difference between the value of a derivative assuming the counterparty is default-risk free and the value reflecting default risk of the counterparty.

Debit valuation adjustment (DVA) The difference between the value of the derivative assuming the bank is default-risk free and the value reflecting default risk of the bank. Changes in a bank's own credit risk therefore result in changes in the DVA component of the valuation of the bank's derivatives.

Expected loss (EL) Amount expected to be lost on an exposure using a one year horizon. Calculated by multiplying PD, EAD and LGD.

Exposure at Default (EAD) Amount expected to be outstanding after any credit risk mitigation if the counterparty defaults.

External Credit Assessment Institutions (ECAI) External credit rating agencies such as Fitch, Moody's, DBRS and Standard & Poor's.

Internal ratings-based approach (IRB) Method for determining own funds requirement using the banks' own models to estimate the risk. There are two versions of the IRB approach; with and without own estimates of LGD and CCF referred to as Advanced and Foundation, respectively.

IRB-Advanced A version of the IRB approach with own estimates of LGD and CCF.

IRB-Foundation A version of the IRB approach without own estimates of LGD and CCF.

Leverage ratio Tier 1 capital as a percentage of total assets including off-balance sheet items with conversion factors according to the standardised approach.

Loss given Default (LGD) The proportion of an exposure that the bank loses on average in the event of default.

Liquidity Coverage Ratio (LCR) High-quality liquid assets as a percentage of the estimated net cash outflows over the next 30 calendar days.

Minimum capital requirement Minimum amount of regulatory capital that the bank must hold to meet the Pillar 1 requirements.

Net Stable Funding Ratio (NSFR) Defined as the amount of available stable funding relative to the amount of required stable funding.

Own funds Comprises the sum of Tier 1 and Tier 2 capital.

Own funds requirement Total own funds must exceed 8 per cent of total risk exposure amount. Own funds must also cover additional requirements due to institution-specific buffers.

Pillar 1 The Basel framework is based on three pillars. Pillar 1 aligns minimum capital requirements more closely with institutions' actual risks.

Pillar 2 Provides for the supervisory review of institutions' internal assessments of their overall risks and capital adequacy.

Pillar 3 Motivates prudent management by enhancing the degree of transparency in institutions' public reporting.

Potential future exposure (PFE) Potential future credit exposure on derivative contracts calculated according to the mark-to-market approach.

Probability of Default (PD) The probability of a borrower defaulting within one year.

Risk exposure amount (REA) 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 items deducted from own funds.

Standardised approach Method of calculating and reporting credit risks based on standardised risk weights on the basis of the external rating. The standardised approach can also be used for market risk and operational risk.

Stressed VaR Market risk measure based on potential market movements for a continuous one-year period of stress for a trading portfolio.

Systemic risk buffer Buffer requirement for systemically important banks.

Through-the-cycle (TTC) Methodology that seeks to take cyclical volatility out of the estimates of default risk by assessing the counterparty's performance over the business cycle.

Tier 1 capital Common Equity Tier 1 capital plus qualifying forms of subordinated loans liabilities, so called additional Tier 1 instruments.

Tier 1 capital ratio Tier 1 capital as a percentage of total risk exposure amount.

Tier 2 capital Mainly subordinated loans not qualifying as Tier 1 capital contribution.

Total capital ratio Total own funds as a percentage of total risk exposure amount.

Value at risk (VaR) A market risk measure of loss that could occur on positions as a result of adverse movements in market risk factors over a specified time period and to a given level of confidence.

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