Capital Adequacy & Risk Management Report – Pillar 3

2022

Positively shaping the future.
Today and for generations to come.

SEB

This is SEB

Our customers and stakeholders

2,000
Large corporations

1,100
Financial institutions

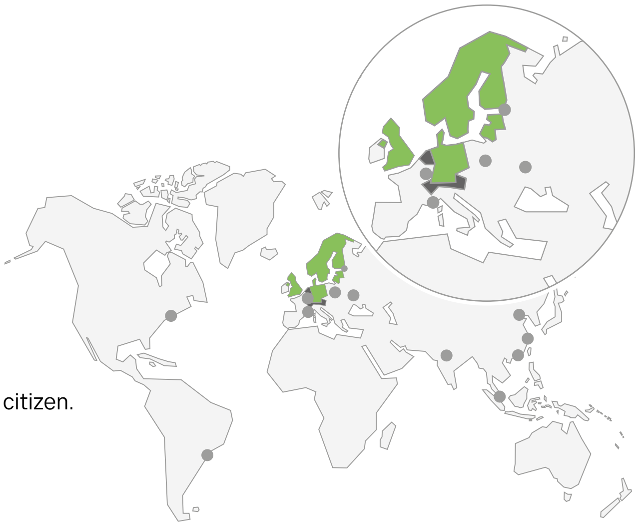
400,000
Small and medium-sized companies. Of these, some 292,000 are home bank customers.

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

16,500
Employees

275,000
Shareholders

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



We focus on four main areas in our 2030 Strategy...

Acceleration of efforts
Strengthening our customer offering by continuing to build on existing strengths through extra focus and resources targeted at already established areas.

Strategic change
Evaluating the need for strategic change and transforming the way we do business in already established areas.

Strategic partnerships
Collaborating and partnering with external stakeholders and re-evaluating how we produce and distribute our products and services.

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

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

Dividend payout
Around 50 per cent of earnings per share.

Capital buffer
100 to 300 basis points above regulatory requirement.

Return on equity
Competitive with peers.

...and our contribution to the transition.

The Brown
Decrease fossil fuel credit exposure.

The Green
Increase sustainability activities.

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

We serve our customers through our divisions...

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

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

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

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

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

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

...with a strong northern European market position

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

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

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

1) See p. 68 in Annual Report

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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 2022 is based on the group consolidated situation as at 31 December 2022. 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 63 –65 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 2023

Masih Yazdi
CFO

Mats Holmström
CRO

SEB's key metrics

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

SEK m		a	b	c	d	e
		31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	162,956	159,890	158,539	154,593	154,821
2	Tier 1 capital	177,517	175,476	172,926	163,008	168,375
3	Total capital	193,025	190,304	187,414	176,971	181,737
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	859,320	881,588	851,025	828,377	787,490
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	19.0	18.1	18.6	18.7	19.7
6	Tier 1 ratio (%)	20.7	19.9	20.3	19.7	21.4
7	Total capital ratio (%)	22.5	21.6	22.0	21.4	23.1
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 (%)	2.0	2.0	1.8	1.8	1.8
EU-7b	*of which: to be made up of CET1 capital (percentage points)*	*1.4*	*1.4*	*1.2*	*1.2*	*1.2*
EU-7c	*of which: to be made up of Tier 1 capital (percentage points)*	*1.6*	*1.6*	*1.4*	*1.4*	*1.4*
EU-7d	Total SREP own funds requirements (%)	10.0	10.0	9.8	9.8	9.8
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 (%)	0.8	0.6	0.1	0.1	0.1
EU-9a	Systemic risk buffer (%)	3.1	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 (%)	7.4	7.1	6.6	6.6	6.6
EU-11a	Overall capital requirements (%)	17.4	17.2	16.4	16.4	16.4
12	CET1 available after meeting the total SREP own funds requirements (%)	12.4	11.6	12.2	11.5	13.2
Leverage ratio						
13	Total exposure measure	3,539,598	4,069,779	4,003,075	3,749,851	3,352,452
14	Leverage ratio (%)	5.0	4.3	4.3	4.3	5.0
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	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	3.0	3.0
Liquidity Coverage Ratio[1)]						
15	Total high-quality liquid assets (HQLA) (Weighted value)	1,067,445	1,016,773	949,192	909,775	880,569
EU-16a	Cash outflows – Total weighted value	1,142,012	1,082,876	997,319	940,726	893,874
EU-16b	Cash inflows – Total weighted value	286,247	268,675	246,269	226,911	215,752
16	Total net cash outflows (adjusted value)	855,764	814,201	751,050	713,815	678,122
17	Liquidity coverage ratio (%)	126	126	127	128	131
Net Stable Funding Ratio						
18	Total available stable funding	1,642,404	1,679,014	1,667,260	1,590,347	1,567,832
19	Total required stable funding	1,503,584	1,539,685	1,510,574	1,476,946	1,413,565
20	NSFR ratio (%)	109	109	110	108	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, assessing, monitoring, managing, mitigating, reporting and pricing risks.

SEB has a robust risk management framework, with defined Board risk tolerances, 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 deciding on the risk tolerance statements that sets out long-term view of types and levels of risk acceptance to SEB. The risk tolerance statements 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 the boundaries within which the Board expects the group to operate and cover the bank's material risks.

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 units are responsible for the risks that arise as a result of their business activities. 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.

Risk tolerance statements in brief

SEB shall:

- **Maintain a high-quality credit portfolio** through a robust credit culture based on long-term relationships, knowledge about customers and focus on debt service ability
- **Maintain a sound structural liquidity position,** a balanced wholesale funding dependence and sufficient liquid reserves to meet potential net cash outflows in a stressed scenario
- **Maintain low non-financial risk and loss level** through an effective internal control framework and by ensuring a structured and consistent usage of risk mitigating tools and processes for all identified non-financial risks
- **Limit the impact of adverse developments** in economic value and earnings from market risk, including valuation uncertainty, from both a short- and long-term perspective
- **Maintain satisfactory capital strength** to sustain aggregated risks and guarantee SEB's long-term survival and its position as a financial counterparty, while operating safely above regulatory requirements, and meeting rating targets.

The business units are responsible for ensuring that their activities comply with applicable external and internal rules. They are supported by 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 managed both on an aggregated level as well as on a detailed divisional and geographical level. SEB has developed advanced internal measurement models for a major part of its credit portfolio, as well as for market and operational risk, and has approval from the Swedish FSA and the ECB to use these models for calculation of regulatory capital. Risks are monitored and controlled through limits on transactional, counterparty, desk and portfolio levels. Asset quality is monitored and analysed regularly, 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 2022, please see the Annual Report – Risk, liquidity and capital management.

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 regular 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.

The *Group Internal Control and Compliance Committee* (GICC) primarily handles 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 three units: *Group Risk, Group Credits* and *CRO Office & Risk Aggregation.*

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 *CRO Office & Risk Aggregation* unit 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.

→ 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 trading activities, country risk, settlement risk, and credit concentration 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 24 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 14 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 relevant risk class assignment tool. 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. According to SEB's general credit policy, all lending should be in line with the Corporate Sustainability Policy for the SEB Group with supplemental policies, as well as with relevant position statements and sector policies .

→ For further information regarding SEB's management of sustainability risks in its credit portfolio, in particular climate risks, please see the Sustainability section in this report and 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 instruments in scope for impairment measured at amortised costs according to 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 financial instruments.

→ 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 2022		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	**446,454**	445,832	559	**2**	1	0	**3**	3	0						
010 Loans and advances	**2,047,017**	1,979,660	68,756	**7,374**	529	6,845	**3,678**	2,199	1,479	**3,935**	24	3,911	**112**	**1,335,171**	**1,980**
020 *Central banks*	4,960	6,221	1				1	1							
030 *General governments*	27,144	26,862	282	5		5	2	1	1	2		2		8,472	
040 *Credit institutions*	70,269	69,065	1,203	24	1	24	4	1	3	5	0	5		6,109	
050 *Other financial corporations*	156,935	156,307	764	492	142	350	316	312	4	161	1	160		28,581	228
060 *Non-financial corporations*	1,068,070	1,029,764	38,306	4,888	59	4,828	2,339	1,387	952	3,009	1	3,008	87	604,945	955
070 *Of which SMEs*	323,857	309,224	14,633	708	42	666	609	373	236	235	1	234	6	286,950	429
080 *Households*	719,640	691,441	28,199	1,966	327	1,638	1,016	497	519	759	21	737	25	687,064	797
090 Debt securities	**129,598**	120,153													
100 *Central banks*	39,915	38,871													
110 *General governments*	23,404	15,002													
120 *Credit institutions*	50,749	50,749													
130 *Other financial corporations*	13,457	13,457													
140 *Non-financial corporations*	2,074	2,074													
150 Off-balance-sheet exposures	**906,869**	891,581	15,099	**459**	37	422	**795**	633	162	**201**		201		**141,645**	**171**
160 *Central banks*	6	6					0	0							
170 *General governments*	26,162	26,156	7				1	0	0					1,602	
180 *Credit institutions*	27,673	26,395	1,278	48		48	3	1	1	48		48		1,450	
190 *Other financial corporations*	85,876	85,839	37	67	37	31	14	14	0	17		17		11,717	37
200 *Non-financial corporations*	685,987	675,360	10,440	337	0	337	691	555	136	135		135		122,699	132
210 *Households*	81,164	77,826	3,337	7	0	7	87	63	25	1		1		4,178	2
220 TOTAL	**3,529,938**	3,437,227	84,414	**7,835**	567	7,268	**4,477**	2,835	1,642	**4,136**	24	4,112	**112**	**1,476,816**	**2,151**

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			Accumulated partial write-off		
30 Jun 2022		*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*		On performing exposures	On non-performing exposures
005 Cash balances at central banks and other demand deposits	**842,053**	***841,235***	***818***	**0**	***0***	***0***	**0**	***0***	***0***						
010 Loans and advances	**2,011,535**	***1,944,546***	***65,720***	**9,887**	***1,123***	***8,764***	**2,714**	***1,393***	***1,321***	**5,057**	***127***	***4,930***	**109**	**1,321,610**	**2,704**
020 *Central banks*	*4,454*	*4,453*	*1*				*0*	*0*	*0*						
030 *General governments*	*17,960*	*17,610*	*350*	*0*		*0*	*3*	*1*	*1*	*0*	*0*	*0*		*8,236*	
040 *Credit institutions*	*80,581*	*76,767*	*3,814*	*13*	*4*	*10*	*3*	*1*	*2*	*2*	*0*	*2*		*6,708*	
050 *Other financial corporations*	*138,708*	*137,468*	*1,240*	*461*	*57*	*404*	*93*	*87*	*7*	*147*	*0*	*147*		*25,544*	*150*
060 *Non-financial corporations*	*1,053,950*	*1,017,555*	*35,126*	*7,459*	*875*	*6,583*	*1,849*	*952*	*896*	*4,117*	*115*	*4,002*	*86*	*598,844*	*1,827*
070 *Of which SMEs*	*330,088*	*317,332*	*12,756*	*1,076*	*49*	*1,027*	*508*	*288*	*221*	*349*	*13*	*336*	*6*	*291,888*	*432*
080 *Households*	*715,882*	*690,692*	*25,190*	*1,954*	*187*	*1,767*	*766*	*351*	*415*	*791*	*12*	*779*	*23*	*682,277*	*727*
090 Debt securities	**207,325**	***9,676***													
100 *Central banks*	*109,843*														
110 *General governments*	*23,883*														
120 *Credit institutions*	*57,902*	*137*													
130 *Other financial corporations*	*13,027*	*8,647*													
140 *Non-financial corporations*	*2,669*	*892*													
150 Off-balance-sheet exposures	**850,589**	***833,897***	***16,448***	**371**	***0***	***355***	**699**	***558***	***141***	**128**	***2***	***126***		**139,426**	**18**
160 *Central banks*	*4*	*4*					*0*	*0*							
170 *General governments*	*23,639*	*23,633*	*6*				*1*	*0*	*0*					*2,497*	
180 *Credit institutions*	*27,498*	*22,941*	*4,557*	*70*		*68*	*6*	*1*	*5*	*25*		*25*		*1,380*	
190 *Other financial corporations*	*72,208*	*72,161*	*47*	*29*		*29*	*11*	*11*	*0*	*16*		*16*		*11,881*	
200 *Non-financial corporations*	*622,493*	*613,774*	*8,475*	*262*	*0*	*249*	*601*	*496*	*105*	*85*	*2*	*83*		*117,873*	*16*
210 *Households*	*104,746*	*101,383*	*3,362*	*10*	*0*	*9*	*80*	*49*	*31*	*2*	*0*	*2*		*5,795*	*2*
220 TOTAL	**3,911,503**	***3,629,353***	***82,986***	**10,258**	***1,124***	***9,120***	**3,413**	***1,951***	***1,463***	**5,185**	***129***	***5,056***	**109**	**1,461,036**	**2,722**

COMMENT

- *The strengthening of the EUR and USD against the SEK led to higher gross exposures and ECL allowances in all stages. Currency effects were more pronounced in stage 3, however, the increase was mitigated by write-offs. There was some migration from stage 1 to 2 and from stage 2 to stage 3. ECL allowances in stage 1 and 2 increased due to updates of the macroeconomic scenarios and a net increase of portfolio model overlays.*
- *Non-performing exposures decreased to SEK 7.8bn (10.3) due to write-offs and repayments.*
- *Credit quality remained robust and credit-impaired loans (gross loans in stage 3) decreased to 0.33 of total loans (0.43).*
- *Total ECL allowances amounted to SEK 8.6bn (8.6) and the ECL coverage ratio was 0.29 per cent (0.30)*

Table 3. EU CR1-A – Maturity of exposures

SEK m	a	b	c	d	e	f
	Net exposure value					
31 Dec 2022	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1 Loans and advances	259,303	209,299	978,123	1,243,497		**2,690,223**
2 Debt securities	56,620	6,423	49,543	8,805		**121,390**
3 **Total**	**315,923**	**215,722**	**1,027,666**	**1,252,302**		**2,811,613**

	a	b	c	d	e	f
	Net exposure value					
30 Jun 2022	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1 Loans and advances	220,858	217,258	900,327	1,215,338		**2,553,781**
2 Debt securities	119,994	18,444	56,040	9,220		**203,698**
3 **Total**	**340,852**	**235,702**	**956,367**	**1,224,558**		**2,757,479**

COMMENT

- *54 per cent of the loans and advances has a maturity below five years, mainly due to corporate exposures. Compared to 30 June 2022, this has not changed materially.*

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 2022	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	3,938	4,076	*3,798*	*3,861*	185	2,706	4,681	1,599
020 *Central banks*								
030 *General governments*								
040 *Credit institutions*								
050 *Other financial corporations*		*347*	*205*	*205*		*148*	*141*	*141*
060 *Non-financial corporations*	*3,340*	*3,432*	*3,384*	*3,416*	*171*	*2,452*	*3,827*	*1,300*
070 *Households*	*598*	*298*	*208*	*240*	*13*	*106*	*712*	*157*
080 Debt Securities								
090 Loan commitments given	188	47	*10*	*10*	14	10	195	31
100 TOTAL	4,126	4,123	*3,808*	*3,871*	171	2,696	4,485	1,568

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 2022	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	2,665	6,525	*5,567*	*5,621*	194	3,780	4,902	2,931
020 *Central banks*								
030 *General governments*	*0*				*0*			
040 *Credit institutions*								
050 *Other financial corporations*	*136*	*198*	*198*	*198*	*1*	*142*	*136*	
060 *Non-financial corporations*	*1,985*	*6,059*	*5,149*	*5,202*	*179*	*3,542*	*4,118*	*2,780*
070 *Households*	*543*	*268*	*220*	*221*	*13*	*96*	*647*	*151*
080 Debt Securities								
090 Loan commitments given	178	0	*0*	*0*	8	2	152	0
100 TOTAL	2,842	6,525	*5,567*	*5,621*	186	3,778	4,750	2,931

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 8.2bn (9.4) due to write-offs against reserves and repayments. Currency translation effects increased the total forborne loans as the majority of the forborne loans are denominated in EUR and USD.*

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 2022		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**	**446,454**	**446,452**	**2**	**2**		**2**						
010 **Loans and advances**	**2,047,017**	**2,045,900**	**1,118**	**7,374**	**4,219**	**357**	**281**	**858**	**1,306**	**296**	**58**	***6,646***
020 *Central banks*	*4,960*	*4,960*										
030 *General governments*	*27,144*	*27,142*	*2*	*5*	*5*		*0*					*5*
040 *Credit institutions*	*70,269*	*70,268*	*1*	*24*	*15*	*0*	*6*	*0*	*0*	*3*	*0*	*14*
050 *Other financial corporations*	*156,935*	*156,930*	*5*	*492*	*231*	*9*	*83*	*0*	*169*	*0*	*0*	*262*
060 *Non-financial corporations*	*1,068,070*	*1,067,849*	*221*	*4,888*	*2,884*	*69*	*33*	*739*	*983*	*168*	*12*	*4,714*
070 *Of which SMEs*	*323,857*	*323,822*	*35*	*708*	*582*	*36*	*11*	*19*	*48*	*12*	*0*	*598*
080 *Households*	*719,640*	*718,751*	*889*	*1,966*	*1,085*	*279*	*159*	*119*	*154*	*124*	*46*	*1,651*
090 **Debt securities**	**129,598**	**129,598**										
100 *Central banks*	*39,915*	*39,915*										
110 *General governments*	*23,404*	*23,404*										
120 *Credit institutions*	*50,749*	*50,749*										
130 *Other financial corporations*	*13,457*	*13,457*										
140 *Non-financial corporations*	*2,074*	*2,074*										
150 **Off-balance-sheet exposures**	**906,869**			**459**								***418***
160 *Central banks*	*6*											
170 *General governments*	*26,162*											
180 *Credit institutions*	*27,673*			*48*								*48*
190 *Other financial corporations*	*85,876*			*67*								*31*
200 *Non-financial corporations*	*685,987*			*337*								*333*
210 *Households*	*81,164*			*7*								*6*
220 **TOTAL**	**3,529,938**	**2,621,950**	**1,119**	**7,835**	**4,219**	**358**	**281**	**858**	**1,306**	**296**	**58**	***7,064***

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***

COMMENT

- *Exposures increased reflecting an increase in corporate lending and currency translation effects, mainly from the strengthening of the USD and EUR against the SEK. There were some migrations from performing exposures to non-performing exposures but this was more than offset by write-offs against reserves and repayments. Non-performing exposures decreased to SEK 7.8bn (10.9).*

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 2022			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**	**2,183,989**		***6,646***		**7,614**		
020 Sweden	1,289,510		*2,086*		3,168		
030 Denmark	76,731		*159*		297		
040 Norway	76,149		*144*		328		
050 Finland	100,639		*693*		434		
060 Estonia	74,062		*219*		276		
Latvia	38,975		*219*		247		
Lithuania	83,353		*616*		480		
Germany	76,507		*673*		563		
United Kingdom	67,783		*10*		185		
070 Other countries	300,280		*1,827*		1,635		
080 **Off balance sheet exposures**	**907,328**		***418***			**997**	
090 Sweden	300,496		*143*			384	
100 Denmark	79,702		*102*			30	
110 Norway	86,947		*5*			108	
120 Finland	69,696		*0*			62	
130 Estonia	14,969		*2*			26	
Latvia	8,511		*1*			26	
Lithuania	17,902		*1*			38	
Germany	114,595		*116*			145	
United Kingdom	48,391		*0*			49	
140 Other countries	166,119		*49*			130	
150 **TOTAL**	**3,091,317**		***7,064***		**7,614**	**997**	

SEK m	a	b	c	d	e	f	g
	Gross carrying amount/nominal amount						
		of which: non-performing					
30 Jun 2022			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**	**2,228,748**		***8,509***		**7,771**		
020 Sweden	1,363,825		***2,433***		2,305		
030 Denmark	81,388		*588*		594		
040 Norway	73,841		*143*		398		
050 Finland	91,068		*990*		693		
060 Estonia	68,947		*293*		286		
Latvia	36,018		*254*		237		
Lithuania	78,587		*669*		489		
Germany	75,590		*1,370*		1,024		
United Kingdom	61,131		*10*		179		
070 Other countries	298,352		*1,760*		1,568		
080 **Off balance sheet exposures**	**850,960**		***363***			**827**	
090 Sweden	317,821		*130*			272	
100 Denmark	56,635		*6*			26	
110 Norway	76,544		*6*			114	
120 Finland	57,710		*0*			48	
130 Estonia	13,446		*1*			17	
Latvia	6,764		*3*			27	
Lithuania	14,967		*0*			20	
Germany	99,021		*148*			143	
United Kingdom	53,481		*0*			40	
140 Other countries	154,572		*68*			121	
150 **TOTAL**	**3,079,707**		***8,872***		**7,771**	**827**	

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.*
- *Defaulted loans decreased to SEK 7.1bn (8.9) mainly due to write-offs and repayments. Currency translation effects increased the defaulted loans as the majority is denominated in EUR and USD.*

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 2022			*of which: defaulted*		Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
010 Agriculture, forestry and fishing	17,173		*94*		56	
020 Mining and quarrying	7,621		*4*		137	
030 Manufacturing	121,548		*1,418*		1,306	
040 Electricity, gas, steam and air conditioning supply	75,246		*32*		119	
050 Water supply	3,469		*0*		5	
060 Construction	13,756		*184*		107	
070 Wholesale and retail trade	84,293		*189*		319	
080 Transport and storage	85,728		*1,415*		1,304	
090 Accommodation and food service activities	5,755		*36*		56	
100 Information and communication	33,191		*32*		87	
110 Real estate activities	362,563		*132*		550	
120 Financial and insurance activities	160,070		*452*		622	
130 Professional, scientific and technical activities	56,622		*55*		241	
140 Administrative and support service activities	18,831		*13*		160	
150 Public administration and defense, compulsory social security	1,191		*0*		2	
160 Education	4,708		*4*		9	
170 Human health services and social work activities	8,653		*32*		23	
180 Arts, entertainment and recreation	2,315		*3*		9	
190 Other services	10,225		*618*		238	
200 **TOTAL**	**1,072,957**		***4,714***		**5,348**	

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 2022			*of which: defaulted*		Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
010 Agriculture, forestry and fishing	15,440		*82*		54	
020 Mining and quarrying	11,280		*7*		207	
030 Manufacturing	111,425		*2,153*		1,605	
040 Electricity, gas, steam and air conditioning supply	61,147		*313*		166	
050 Water supply	3,968		*7*		7	
060 Construction	14,476		*100*		156	
070 Wholesale and retail trade	78,454		*145*		262	
080 Transport and storage	84,461		*1,575*		1,324	
090 Accommodation and food service activities	6,021		*38*		83	
100 Information and communication	35,603		*42*		77	
110 Real estate activities	354,103		*162*		214	
120 Financial and insurance activities	182,803		*402*		489	
130 Professional, scientific and technical activities	57,171		*38*		174	
140 Administrative and support service activities	17,754		*461*		365	
150 Public administration and defense, compulsory social security	1,161				1	
160 Education	4,561		*3*		8	
170 Human health services and social work activities	9,505		*29*		85	
180 Arts, entertainment and recreation	2,693		*1*		13	
190 Other services	9,384		*923*		677	
200 **TOTAL**	**1,061,409**		***6,480***		**5,966**	

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.*
- *The industry distribution in EU CQ5 is according to NACE industry classification and differs from the distribution by industry used by SEB in interim reports and annual reports. The non-financial corporate portfolio is well diversified between industries.*
- *Gross carrying amount/nominal amount increased reflecting an increase in corporate lending and currency translation effects, mainly from the strengthening of the USD and EUR against the SEK. Gross carrying amount/nominal amount for defaulted loans and accumulated impairments decreased mainly due to write-offs and repayments.*

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

SEK m	a	b	a	b
	31 Dec 2022		30 Jun 2022	
	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	85		170	
3 *Residential immovable property*			*0*	
4 *Commercial Immovable property*				
5 *Movable property (auto, shipping, etc.)*				
6 *Equity and debt instruments*	*85*		*170*	
7 *Other*	*0*		*0*	
8 **TOTAL**	**85**		**170**	

COMMENT
- *The collateral obtained by taking possession remained low and amounted to SEK 85m (170).*

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, paired with SEB's 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).

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.

→ See also the section Counterparty Credit Risk on page 37.

Table 9. EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

SEK m	a	b	c	d	e
		Secured carrying amount			
				Of which secured by financial guarantees	
31 Dec 2022	Unsecured carrying amount		*Of which secured by collateral*		*Of which secured by credit derivatives*
1 Loans and advances	1,156,080	1,337,150	*1,218,326*	*118,825*	
2 Debt securities	129,598				
3 **TOTAL**	**1,285,679**	**1,337,150**	***1,218,326***	***118,825***	
4 *Of which non-performing exposures*	*5,394*	*1,980*	*1,548*	*432*	

SEK m	a	b	c	d	e
		Secured carrying amount			
				Of which secured by financial guarantees	
30 Jun 2022	Unsecured carrying amount		*Of which secured by collateral*		*Of which secured by credit derivatives*
1 Loans and advances	1,531,391	1,324,314	*1,199,465*	*124,849*	
2 Debt securities	207,325				
3 **TOTAL**	**1,738,716**	**1,324,314**	***1,199,465***	***124,849***	
4 *Of which non-performing exposures*	*7,184*	*2,704*	*2,520*	*184*	

COMMENT
- *Loans and advances include cash balances at central banks and other demand deposits. Excluding cash balances and loans to central banks, 66 per cent of the total loans and advances are secured, mainly by private housing mortgages or other real estate collateral.*

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, PD estimates, which are based on up to 20 years of internal default history, and external data, are derived.

The segment-specific rating scales are mapped onto a universal risk class scale covering 24 risk classes, each with different 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 10. Structure of risk class scale in PD dimension

	Lower PD	Moody's	S&P
Investment grade	0.00%	Aaa	AAA
	0.02%	Aa	AA
	0.03%	Aa	AA
	0.04%	A	A
	0.05%	A	A
	0.07%	A	A
	0.10%	Baa	BBB
	0.14%	Baa	BBB
	0.20%	Baa	BBB
	0.29%	Baa	BBB
Standard monitoring	0.40%	Ba	BB
	0.57%	Ba	BB
	0.81%	Ba	BB
	1.14%	Ba	BB
	1.62%	B	B
	2.28%	B	B
	3.23%	B	B
	5%	B	B
Watch list	6%	B	B
	9%	B	B
	13%	Caa	CCC
	18%	C	C
	26%	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 (GCD) 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 risk classification 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 11. Exposure by model

SEK bn	A-IRB		
31 Dec 2022	**EAD**	**RWAs**	**Portfolios**
SEB AB (publ)	1,824	322	Retail, corporate & institutions
Baltic subsidiaries	87	12	Retail exposures
Other subsidiaries	46	12	Retail, corporate & institutions
TOTAL	**1,957**	**345**	
	F-IRB		
	EAD	**RWAs**	**Portfolios**
SEB AB (publ)	786	108	Corporate & institutions, Sovereign & municipalities
Baltic subsidiaries	184	75	Corporate & institutions, Sovereign & municipalities
Other subsidiaries	57	6	Corporate & institutions, Sovereign & municipalities
TOTAL	**1,027**	**189**	
	Standardised		
	EAD	**RWAs**	**Portfolios**
SEB AB (publ)	61	54	Retail, corporate & other
Baltic subsidiaries	13	7	Retail & other
Other subsidiaries	15	14	Retail, corporate & other
TOTAL	**88**	**75**	

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. As of 31 December 2022, 88 per cent of the credit risk-weighted exposure amount and 97 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.

Adaptation of the bank's IRB models with regards to the EBA IRB repair program is ongoing and will continue during the forthcoming year.

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 12. 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 2022	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	7,550		7,550		6,640	88.0
6 Institutions	4,642	2	2,823	0	191	6.8
7 Corporates	8,864	2,332	6,518	437	6,661	95.8
8 Retail	24,007	2,710	19,511	843	14,520	71.3
9 Secured by mortgages on immovable property	7,492	186	7,492	93	2,486	32.8
10 Exposures in default	92	2	89	1	122	135.1
11 Exposures associated with particularly high risk	343		343		515	150.0
14 Collective investment undertakings	1,628		1,628		1,628	100.0
15 Equity[1]	15,080		15,080		29,391	194.9
16 Other items[2]	17,262		17,262		12,842	74.4
17 **TOTAL**	**86,960**	**5,231**	**78,296**	**1,374**	**74,996**	**94.1**
30 Jun 2022						
1 Central governments or central banks	17,656		17,656		14,147	80.1
6 Institutions	9,981	1	8,199	31	539	6.6
7 Corporates	8,420	2,735	6,592	818	6,749	91.1
8 Retail	25,101	3,741	20,626	1,077	15,523	71.5
9 Secured by mortgages on immovable property	6,737	213	6,737	107	2,224	32.5
10 Exposures in default	99	3	93	1	127	135.0
11 Exposures associated with particularly high risk	579		579		868	150.0
14 Collective investment undertakings	1,540		1,540		1,540	100.0
15 Equity[1]	15,342		15,342		28,992	189.0
16 Other items[2]	16,490		16,490		14,191	86.1
17 **TOTAL**	**101,943**	**6,693**	**93,852**	**2,034**	**84,901**	**88.5**

1) Investment in insurance business is included in the CR4 template, but presented on a separate row in the interim report.
2) 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 CR4 template, but presented on a separate row as Other exposures in the interim report.

COMMENT

- *Only a small part of SEB's credit risk exposures is reported according to the standardised approach. The decrease in the second half year is mainly attributable to central bank exposures.*

Table 13. EU CR5 – Standardised approach

SEK m	a	b	e	f	g	i	j	k	l	o	p	q
Exposure classes	Risk weight											
31 Dec 2022	0%	2%	20%	35%	50%	75%	100%	150%	250%	Others	Total	*Of which unrated*
1 Central governments or central banks	1,491						4,897	1,163			**7,550**	
6 Institutions		2,098	719		4		0	2			**2,824**	*2,550*
7 Corporates			2		306		6,535	112			**6,954**	*6,880*
8 Retail			11			20,343					**20,354**	*20,354*
9 Secured by mortgages on immovable property				7,584							**7,584**	*7,584*
10 Exposures in default							27	63			**90**	*90*
11 Exposures associated with particularly high risk								343			**343**	*343*
14 Collective investment undertakings							1,628				**1,628**	*1,628*
15 Equity[1]							5,540		9,540		**15,080**	*15,080*
16 Other items[2]	3,585		1,610		274		11,400		393		**17,262**	*17,262*
17 **TOTAL**	**5,076**	**2,098**	**2,341**	**7,584**	**584**	**20,343**	**30,025**	**1,684**	**9,934**		**79,670**	***71,772***
30 Jun 2022												
1 Central governments or central banks	3,773						13,354	529			**17,656**	
6 Institutions		6,464	1,716		8			42			**8,230**	*3,655*
7 Corporates			1		811		6,490	107			**7,409**	*7,327*
8 Retail						21,703					**21,703**	*21,703*
9 Secured by mortgages on immovable property				6,841	3						**6,844**	*6,844*
10 Exposures in default							28	66			**94**	*94*
11 Exposures associated with particularly high risk								579			**579**	*579*
14 Collective investment undertakings							1,540				**1,540**	*1,540*
15 Equity[1]							6,242		9,100		**15,342**	*15,299*
16 Other items[2]	2,982		158		268		12,325		668	89	**16,490**	*16,483*
17 **TOTAL**	**6,755**	**6,464**	**1,875**	**6,841**	**1,090**	**21,703**	**39,979**	**1,323**	**9,768**	**89**	**95,886**	***73,523***

1) Investment in insurance business is included in the CR5 template, but presented on a separate row in the interim report.
2) 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 CR5 template, but presented on a separate row as Other exposures in the interim report.

COMMENT

- *Only a small part of SEB's credit risk exposures is reported according to the standardised approach. The decrease in the second half year is mainly attributable to central bank exposures.*

Credit risk exposures under IRB approaches

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

Table 14. 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 2022	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	147,727	269,279	56	300,665	0.07	2,178	30.1	1.9	40,487	13.5	62	–91
	0.00 to <0.10	*92,641*	*193,921*	*56*	*203,320*	*0.05*	*1,506*	*29.3*	*1.9*	*21,529*	*10.6*	*28*	*–42*
	0.10 to <0.15	*55,086*	*75,358*	*55*	*97,345*	*0.11*	*672*	*31.6*	*1.9*	*18,958*	*19.5*	*34*	*–49*
	0.15 to <0.25	144,647	107,705	55	202,293	0.19	1,860	29.6	2.0	52,061	25.7	112	–213
	0.25 to <0.50	102,371	38,126	59	123,675	0.37	1,604	21.4	1.8	32,680	26.4	99	–203
	0.50 to <0.75	90,368	11,083	61	90,775	0.58	1,314	13.6	2.1	19,027	21.0	71	–231
	0.75 to <2.50	65,423	16,999	58	69,186	1.10	1,432	19.4	2.3	28,826	41.7	152	–271
	0.75 to <1.75	*65,314*	*16,985*	*58*	*69,089*	*1.10*	*1,353*	*19.4*	*2.3*	*28,808*	*41.7*	*152*	*–270*
	1.75 to <2.5	*109*	*14*	*30*	*97*	*1.83*	*79*	*8.2*	*1.0*	*18*	*18.3*	*0*	*0*
	2.50 to <10.00	14,742	7,473	73	14,253	3.42	3,660	32.2	2.0	13,417	94.1	152	–218
	2.5 to <5	*13,223*	*7,375*	*74*	*13,163*	*3.04*	*3,611*	*32.2*	*2.0*	*12,090*	*91.8*	*123*	*–185*
	5 to <10	*1,519*	*99*	*42*	*1,090*	*8.00*	*49*	*32.7*	*1.0*	*1,327*	*121.8*	*28*	*–34*
	10.00 to <100.00	2,236	6	10	2,015	19.10	36	32.8	1.6	3,488	173.1	126	–236
	10 to <20	*555*			*384*	*11.00*	*21*	*34.3*	*3.0*	*638*	*166.2*	*14*	*–20*
	20 to <30	*1,681*	*6*	*10*	*1,631*	*21.00*	*15*	*32.4*	*1.3*	*2,851*	*174.8*	*111*	*–216*
	30.00 to <100.00												
	100.00(Default)	2,344	101	63	2,324	100.00	47	1.3	3.1	391	16.8	1,552	–1,582
	Sub-total	**569,858**	**450,773**	**56**	**805,186**	**0.69**	**12,131**	**25.8**	**2.0**	**190,378**	**23.6**	**2,326**	**–3,045**
A-IRB Corporates – SME	0.00 to <0.15	20,528	4,624	61	22,824	0.10	1,299	14.9	1.5	1,125	4.9	3	–5
	0.00 to <0.10	*10,625*	*1,868*	*58*	*11,168*	*0.06*	*519*	*14.6*	*1.5*	*343*	*3.1*	*1*	*–2*
	0.10 to <0.15	*9,903*	*2,756*	*62*	*11,656*	*0.13*	*780*	*15.2*	*1.4*	*782*	*6.7*	*2*	*–3*
	0.15 to <0.25	28,750	10,706	64	36,649	0.20	3,376	13.8	1.8	3,418	9.3	10	–22
	0.25 to <0.50	54,244	5,405	60	58,591	0.34	6,931	9.0	1.7	4,093	7.0	18	–33
	0.50 to <0.75	55,698	7,380	62	61,384	0.60	5,761	10.6	1.5	6,869	11.2	40	–98
	0.75 to <2.50	47,934	3,701	58	50,820	1.11	5,439	12.7	1.7	9,775	19.2	77	–124
	0.75 to <1.75	*45,967*	*3,390*	*59*	*48,117*	*1.07*	*4,747*	*12.5*	*1.7*	*9,039*	*18.8*	*69*	*–109*
	1.75 to <2.5	*1,966*	*311*	*48*	*2,703*	*1.99*	*692*	*14.7*	*2.1*	*736*	*27.2*	*8*	*–15*
	2.50 to <10.00	2,721	1,514	62	3,005	3.99	8,289	19.9	1.2	1,236	41.1	26	–57
	2.5 to <5	*2,214*	*1,467*	*62*	*2,570*	*3.36*	*8,153*	*19.4*	*1.3*	*1,001*	*39.0*	*18*	*–33*
	5 to <10	*507*	*47*	*62*	*435*	*7.71*	*136*	*22.7*	*0.9*	*235*	*54.0*	*8*	*–25*
	10.00 to <100.00	600	56	63	419	14.67	206	27.1	1.5	394	94.0	15	–80
	10 to <20	*409*	*17*	*64*	*265*	*11.00*	*112*	*32.6*	*1.7*	*301*	*113.4*	*10*	*–48*
	20 to <30	*191*	*39*	*62*	*154*	*21.01*	*94*	*17.6*	*1.0*	*93*	*60.4*	*6*	*–32*
	30.00 to <100.00												
	100.00(Default)	852	11	41	739	100.00	252	0.7	1.0	65	8.8	654	–659
	Sub-total	**211,327**	**33,398**	**62**	**234,431**	**0.92**	**31,553**	**11.7**	**1.6**	**26,975**	**11.5**	**842**	**–1,078**
A-IRB Corporates – Specialised lending	0.00 to <0.15	3,316	1,445	62	4,212	0.06	22	21.5	3.8	495	11.7	1	–1
	0.00 to <0.10	*2,368*	*219*	*62*	*2,503*	*0.03*	*15*	*21.5*	*4.7*	*256*	*10.2*	*0*	*0*
	0.10 to <0.15	*949*	*1,226*	*62*	*1,709*	*0.11*	*7*	*21.6*	*2.4*	*239*	*14.0*	*0*	*0*
	0.15 to <0.25	2,689	352	62	2,908	0.20	5	21.4	3.9	698	24.0	1	–1
	0.25 to <0.50	12,927	4,221	60	15,477	0.32	25	25.7	3.5	5,063	32.7	13	–7
	0.50 to <0.75	7,578	2,826	64	9,389	0.54	25	24.8	3.6	3,929	41.8	12	–8
	0.75 to <2.50	7,229	4,166	62	9,812	1.25	17	29.9	4.2	7,910	80.6	37	–57
	0.75 to <1.75	*7,229*	*4,166*	*62*	*9,812*	*1.25*	*17*	*29.9*	*4.2*	*7,910*	*80.6*	*37*	*–57*
	1.75 to <2.5												
	2.50 to <10.00	199			199	2.69	15	14.0	1.8	77	38.5	1	0
	2.5 to <5	*199*			*199*	*2.69*	*14*	*14.0*	*1.8*	*77*	*38.5*	*1*	*0*
	5 to <10	*0*			*0*	*8.00*	*1*	*31.0*	*1.0*	*0*	*113.7*	*0*	
	10.00 to <100.00												
	10 to <20												
	20 to <30												
	30.00 to <100.00												
	100.00(Default)	0			0	100.00	3	26.0	1.0	0	325.0		
	Sub-total	**33,938**	**13,012**	**62**	**41,997**	**0.56**	**112**	**25.7**	**3.7**	**18,172**	**43.3**	**64**	**–74**

Table 14. 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 2022	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	85,879	61,924	56	112,950	0.07	1,897	39.4	1.5	21,865	19.4	30	–31
	0.00 to <0.10	*75,677*	*52,651*	*56*	*97,321*	*0.06*	*1,665*	*39.5*	*1.5*	*17,535*	*18.0*	*23*	*–30*
	0.10 to <0.15	*10,202*	*9,273*	*57*	*15,629*	*0.12*	*232*	*38.8*	*1.5*	*4,330*	*27.7*	*7*	*–2*
	0.15 to <0.25	13,357	7,124	42	16,392	0.20	2,308	32.8	1.2	4,466	27.2	11	–32
	0.25 to <0.50	5,446	2,115	29	6,061	0.37	352	37.3	1.1	2,471	40.8	8	–3
	0.50 to <0.75	7	4	64	9	0.65	5	31.0	1.0	4	43.8	0	0
	0.75 to <2.50	3,296	6,516	57	6,738	1.04	186	55.8	1.0	8,157	121.1	39	–3
	0.75 to <1.75	*2,728*	*6,277*	*58*	*6,392*	*1.00*	*134*	*55.8*	*1.1*	*7,671*	*120.0*	*36*	*–3*
	1.75 to <2.5	*567*	*239*	*10*	*346*	*1.80*	*52*	*55.7*	*0.5*	*485*	*140.3*	*3*	*0*
	2.50 to <10.00	1,557	2,061	10	1,298	6.44	134	55.8	0.6	2,843	218.9	47	–2
	2.5 to <5	*477*	*630*	*11*	*471*	*3.70*	*61*	*55.7*	*0.4*	*829*	*176.2*	*10*	*0*
	5 to <10	*1,080*	*1,431*	*10*	*828*	*8.00*	*73*	*55.8*	*0.7*	*2,014*	*243.3*	*37*	*–2*
	10.00 to <100.00	1,186	1,466	10	842	11.80	187	55.9	0.3	2,290	271.9	55	–2
	10 to <20	*1,154*	*1,154*	*10*	*782*	*11.10*	*105*	*56.0*	*0.3*	*2,101*	*268.5*	*49*	*–1*
	20 to <30	*32*	*312*	*10*	*60*	*21.01*	*82*	*54.1*	*0.4*	*189*	*317.2*	*7*	*–1*
	30.00 to <100.00												
	100.00(Default)	14	48	10	19	100.00	28	25.3	3.9	61	315.9	50	–50
	Sub-total	**110,742**	**81,258**	**52**	**144,308**	**0.28**	**5,097**	**39.6**	**1.4**	**42,156**	**29.2**	**241**	**–124**
A-IRB Retail – Secured by immovable property non-SME	0.00 to <0.15	212,695	3,590	67	215,167	0.09	300,357	7.1		3,584	1.7	14	–6
	0.00 to <0.10	*212,695*	*3,590*	*67*	*215,167*	*0.09*	*300,357*	*7.1*		*3,584*	*1.7*	*14*	*–6*
	0.10 to <0.15												
	0.15 to <0.25	203,725	5,934	57	207,142	0.16	277,357	10.1		7,520	3.6	33	–12
	0.25 to <0.50	131,770	19,760	51	141,824	0.30	211,362	14.1		11,578	8.2	61	–43
	0.50 to <0.75	36,054	5,120	52	38,741	0.66	56,376	13.5		5,271	13.6	35	–17
	0.75 to <2.50	22,077	1,568	83	23,388	1.35	26,694	13.9		5,201	22.2	44	–35
	0.75 to <1.75	*21,785*	*1,540*	*83*	*23,067*	*1.34*	*26,142*	*13.9*		*5,105*	*22.1*	*43*	*–32*
	1.75 to <2.5	*292*	*28*	*100*	*321*	*2.00*	*552*	*14.4*		*96*	*29.9*	*1*	*–3*
	2.50 to <10.00	14,788	367	65	15,033	4.25	16,697	12.6		5,947	39.6	81	–62
	2.5 to <5	*11,103*	*259*	*64*	*11,275*	*3.36*	*12,822*	*12.6*		*4,000*	*35.5*	*48*	*–40*
	5 to <10	*3,685*	*108*	*67*	*3,758*	*6.90*	*3,875*	*12.7*		*1,947*	*51.8*	*33*	*–22*
	10.00 to <100.00	6,091	48	53	6,118	23.64	9,393	11.9		4,035	66.0	163	–149
	10 to <20	*3,909*	*43*	*52*	*3,932*	*14.25*	*6,275*	*12.5*		*2,673*	*68.0*	*70*	*–74*
	20 to <30	*260*	*0*	*100*	*261*	*20.00*	*698*	*14.2*		*222*	*85.0*	*7*	*–12*
	30.00 to <100.00	*1,921*	*5*	*62*	*1,925*	*43.33*	*2,420*	*10.3*		*1,141*	*59.3*	*86*	*–64*
	100.00(Default)	525	0	108	525	100.00	1,273	15.2		172	32.8	68	–179
	Sub-total	**627,725**	**36,387**	**55**	**647,937**	**0.64**	**899,509**	**10.4**		**43,308**	**6.7**	**498**	**–505**
A-IRB Retail – Secured by immovable property SME	0.00 to <0.15	840	22	108	864	0.09	840	13.4		21	2.4	0	0
	0.00 to <0.10	*840*	*22*	*108*	*864*	*0.09*	*840*	*13.4*		*21*	*2.4*	*0*	*0*
	0.10 to <0.15												
	0.15 to <0.25	1,182	29	108	1,215	0.16	933	13.9		46	3.8	0	0
	0.25 to <0.50	1,877	418	66	2,154	0.32	3,252	13.7		138	6.4	1	–5
	0.50 to <0.75	483	102	30	513	0.64	745	19.2		73	14.2	1	–3
	0.75 to <2.50	3,926	178	74	4,054	1.30	6,519	13.1		640	15.8	7	–11
	0.75 to <1.75	*3,311*	*155*	*75*	*3,425*	*1.12*	*5,977*	*13.0*		*494*	*14.4*	*5*	*–7*
	1.75 to <2.5	*615*	*22*	*67*	*629*	*2.25*	*542*	*13.5*		*146*	*23.2*	*2*	*–4*
	2.50 to <10.00	811	23	61	825	4.69	1,003	13.6		287	34.7	5	–12
	2.5 to <5	*667*	*11*	*58*	*673*	*4.05*	*719*	*13.7*		*220*	*32.6*	*4*	*–6*
	5 to <<10	*144*	*12*	*64*	*151*	*7.49*	*284*	*13.3*		*67*	*44.3*	*1*	*–6*
	10.00 to <100.00	171	1	86	172	20.05	186	11.5		81	47.3	4	–1
	10 to <20	*133*	*0*	*84*	*133*	*13.25*	*128*	*11.4*		*62*	*46.3*	*2*	*–1*
	20 to <30	*12*			*12*	*28.14*	*8*	*10.1*		*6*	*47.8*	*0*	*0*
	30.00 to <100.00	*27*	*0*	*98*	*27*	*49.94*	*50*	*12.4*		*14*	*51.8*	*2*	*0*
	100.00(Default)	69	1	100	70	100.00	81	11.2		50	71.3	4	–7
	Sub-total	**9,359**	**772**	**66**	**9,867**	**2.11**	**13,559**	**13.7**		**1,335**	**13.5**	**22**	**–40**

Table 14. 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 2022	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	6,626	30,490	82	31,782	0.06	1,004,415	42.3		2,559	8.1	9	−46
	0.00 to <0.10	*3,689*	*17,808*	*85*	*19,077*	*0.03*	*656,135*	*34.3*		*717*	*3.8*	*2*	*−20*
	0.10 to <0.15	*2,937*	*12,682*	*77*	*12,704*	*0.10*	*348,280*	*54.2*		*1,842*	*14.5*	*7*	*−26*
	0.15 to <0.25	1,176	2,788	73	3,584	0.17	80,458	52.2		746	20.8	3	−8
	0.25 to <0.50	3,422	163	85	3,596	0.33	35,094	52.5		1,131	31.5	6	−35
	0.50 to <0.75	5,845	4,595	74	9,490	0.68	222,481	41.7		3,528	37.2	27	−42
	0.75 to <2.50	4,520	1,170	57	5,222	1.27	275,465	51.7		3,173	60.8	34	−93
	0.75 to <1.75	*4,401*	*824*	*45*	*4,814*	*1.21*	*223,619*	*51.6*		*2,879*	*59.8*	*30*	*−88*
	1.75 to <2.5	*119*	*346*	*83*	*407*	*2.00*	*51,846*	*52.7*		*293*	*72.1*	*4*	*−5*
	2.50 to <10.00	4,859	1,114	81	5,826	3.87	76,944	53.1		4,634	79.5	118	−290
	2.5 to <5	*3,593*	*653*	*78*	*4,155*	*2.68*	*48,203*	*54.6*		*3,284*	*79.0*	*61*	*−145*
	5 to <10	*1,266*	*461*	*85*	*1,671*	*6.82*	*28,741*	*49.3*		*1,350*	*80.8*	*57*	*−145*
	10.00 to <100.00	687	78	80	756	23.24	59,697	52.1		926	122.4	88	−159
	10 to <20	*357*	*67*	*78*	*411*	*15.49*	*7,784*	*54.2*		*465*	*113.1*	*34*	*−64*
	20 to <30	*202*	*3*	*86*	*204*	*27.31*	*3,330*	*52.3*		*282*	*138.1*	*29*	*−73*
	30.00 to <100.00	*129*	*9*	*92*	*141*	*39.95*	*48,583*	*45.9*		*179*	*126.5*	*25*	*−22*
	100.00(Default)	874	5	100	881	100.00	16,153	52.3		426	48.4	427	−506
	Sub-total	**28,008**	**40,404**	**80**	**61,136**	**2.37**	**1,770,707**	**45.5**		**17,123**	**28.0**	**712**	**−1,178**
A-IRB Retail – Other SME	0.00 to <0.15	368	126	96	655	0.06	8,238	91.8		96	14.7	0	−7
	0.00 to <0.10	*360*	*126*	*96*	*647*	*0.06*	*8,202*	*92.3*		*95*	*14.7*	*0*	*−7*
	0.10 to <0.15	*8*			*8*	*0.13*	*36*	*49.2*		*1*	*11.7*	*0*	*0*
	0.15 to <0.25	19	34	74	57	0.15	563	48.5		7	13.1	0	0
	0.25 to <0.50	1,018	2,895	69	3,154	0.32	16,827	53.4		831	26.3	5	−14
	0.50 to <0.75	692	206	57	1,012	0.58	21,676	67.8		495	48.9	4	−11
	0.75 to <2.50	2,400	2,137	79	4,217	1.45	513,672	51.2		2,199	52.1	33	−38
	0.75 to <1.75	*1,573*	*1,751*	*79*	*2,966*	*1.17*	*498,574*	*45.6*		*1,221*	*41.2*	*16*	*−20*
	1.75 to <2.5	*827*	*386*	*80*	*1,250*	*2.11*	*15,098*	*64.5*		*978*	*78.2*	*17*	*−19*
	2.50 to <10.00	1,502	694	80	2,162	5.29	19,696	56.5		1,759	81.3	72	−60
	2.5 to <5	*1,099*	*424*	*80*	*1,453*	*4.05*	*8,281*	*48.6*		*949*	*65.3*	*31*	*−35*
	5 to <10	*404*	*270*	*81*	*709*	*7.84*	*11,415*	*72.6*		*810*	*114.3*	*41*	*−25*
	10.00 to <100.00	351	103	81	458	26.97	9,191	57.6		552	120.7	77	−22
	10 to <20	*193*	*28*	*83*	*218*	*13.44*	*798*	*46.1*		*160*	*73.7*	*14*	*−7*
	20 to <30	*66*	*8*	*81*	*85*	*23.67*	*1,034*	*55.3*		*92*	*108.8*	*11*	*−5*
	30.00 to <100.00	*92*	*67*	*80*	*155*	*47.72*	*7,359*	*75.0*		*300*	*193.0*	*52*	*−10*
	100.00(Default)	126	4	68	130	100.00	836	48.9		105	81.2	55	−60
	Sub-total	**6,476**	**6,199**	**74**	**11,844**	**3.75**	**590,699**	**56.6**		**6,044**	**51.0**	**246**	**−213**
	TOTAL A-IRB	1,597,433	662,203	58	1,956,706	0.74	3,323,291	20.8	1.2	345,491	17.7	4,952	−6,257

Table 14. 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 2022	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	569,877	22,132	74	617,557	0.01	1,225	44.8	1.4	16,645	2.7	16	−20
	0.00 to <0.10	*569,870*	*22,132*	*74*	*617,549*	*0.01*	*1,220*	*44.8*	*1.4*	*16,643*	*2.7*	*16*	*−20*
	0.10 to <0.15	*7*			*7*	*0.10*	*5*	*44.6*	*2.5*	*2*	*31.2*	*0*	*0*
	0.15 to <0.25	66	491	99	552	0.23	21	44.2	2.5	271	49.1	1	0
	0.25 to <0.50	153	22	75	169	0.36	20	39.5	2.5	93	55.0	0	0
	0.50 to <0.75	6	9	75	13	0.55	13	43.6	2.5	9	74.6	0	0
	0.75 to <2.50	59	1	75	21	1.32	12	41.6	2.5	21	99.1	0	0
	0.75 to <1.75	*59*	*1*	*75*	*21*	*1.32*	*9*	*41.6*	*2.5*	*21*	*99.1*	*0*	*0*
	1.75 to <2.5	*0*			*0*	*2.06*	*3*	*42.2*	*2.5*	*0*	*114.9*	*0*	
	2.50 to <10.00	35			0	6.35	8	45.0	2.5	0	171.6	0	0
	2.5 to <5	*0*			*0*	*4.00*	*2*	*45.0*	*2.5*	*0*	*148.0*	*0*	
	5 to <10	*34*			*0*	*7.95*	*6*	*45.0*	*2.5*	*0*	*187.7*	*0*	*0*
	10.00 to <100.00	0			0	14.51	8	45.0	2.5	0	227.0	0	
	10 to <20	*0*			*0*	*11.00*	*4*	*45.0*	*2.5*	*0*	*211.9*	*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)	5			5	100.00	1	45.0	2.5	0	0.0	2	−2
	Sub-total	**570,199**	**22,654**	**75**	**618,317**	**0.01**	**1,308**	**44.8**	**1.4**	**17,041**	**2.8**	**19**	**−21**
F-IRB Corporates – SME	0.00 to <0.15	9,513	4,321	74	12,552	0.04	82	43.4	2.5	1,724	13.7	2	−5
	0.00 to <0.10	*9,139*	*4,244*	*75*	*12,152*	*0.03*	*39*	*43.4*	*2.5*	*1,620*	*13.3*	*2*	*−5*
	0.10 to <0.15	*373*	*77*	*35*	*400*	*0.13*	*43*	*41.1*	*2.5*	*104*	*25.9*	*0*	*0*
	0.15 to <0.25	5,965	2,423	42	6,980	0.20	644	39.4	2.5	2,048	29.3	5	−10
	0.25 to <0.50	3,746	1,785	33	4,319	0.35	820	32.7	2.5	1,282	29.7	5	−13
	0.50 to <0.75	8,913	3,247	32	9,875	0.61	867	31.8	2.5	3,964	40.1	19	−52
	0.75 to <2.50	23,437	8,171	65	28,277	1.40	2,167	38.9	2.5	17,686	62.5	154	−105
	0.75 to <1.75	*19,595*	*6,686*	*65*	*23,746*	*1.26*	*1,586*	*38.8*	*2.5*	*14,453*	*60.9*	*116*	*−78*
	1.75 to <2.5	*3,842*	*1,485*	*64*	*4,531*	*2.13*	*581*	*39.4*	*2.5*	*3,233*	*71.3*	*38*	*−26*
	2.50 to <10.00	1,734	550	44	1,879	5.14	414	36.9	2.5	1,612	85.8	36	−49
	2.5 to <5	*963*	*367*	*38*	*1,028*	*3.50*	*338*	*35.3*	*2.5*	*717*	*69.7*	*13*	*−16*
	5 to <10	*770*	*183*	*57*	*851*	*7.10*	*76*	*38.8*	*2.5*	*895*	*105.2*	*23*	*−33*
	10.00 to <100.00	354	75	14	358	17.33	23	35.6	2.5	457	127.7	22	−47
	10 to <20	*173*	*15*	*42*	*173*	*12.10*	*13*	*36.3*	*2.5*	*193*	*111.5*	*8*	*−16*
	20 to <30	*181*	*60*	*7*	*185*	*22.21*	*10*	*35.0*	*2.5*	*264*	*142.9*	*14*	*−31*
	30.00 to <100.00												
	100.00(Default)	296	16	21	300	100.00	42	42.2	2.5	0	0.0	126	−101
	Sub-total	**53,957**	**20,587**	**55**	**64,540**	**1.47**	**5,059**	**38.3**	**2.5**	**28,773**	**44.6**	**371**	**−381**
F-IRB Corporates – Other	0.00 to <0.15	57,476	89,136	65	114,210	0.07	456	41.6	2.5	25,255	22.1	30	−73
	0.00 to <0.10	*45,607*	*58,328*	*65*	*82,282*	*0.05*	*331*	*42.6*	*2.5*	*15,946*	*19.4*	*16*	*−54*
	0.10 to <0.15	*11,870*	*30,808*	*65*	*31,928*	*0.11*	*125*	*39.3*	*2.5*	*9,308*	*29.2*	*14*	*−19*
	0.15 to <0.25	29,833	40,092	64	57,167	0.18	508	41.8	2.5	23,573	41.2	44	−88
	0.25 to <0.50	32,120	10,857	61	37,234	0.36	509	37.7	2.5	19,420	52.2	50	−91
	0.50 to <0.75	14,070	6,070	50	17,063	0.59	465	36.4	2.5	10,661	62.5	37	−67
	0.75 to <2.50	34,295	8,770	63	39,245	1.19	1,167	37.1	2.5	32,084	81.8	173	−137
	0.75 to <1.75	*31,506*	*8,043*	*62*	*36,138*	*1.11*	*912*	*37.4*	*2.5*	*29,217*	*80.8*	*151*	*−112*
	1.75 to <2.5	*2,789*	*727*	*70*	*3,108*	*2.18*	*255*	*33.6*	*2.5*	*2,867*	*92.3*	*22*	*−26*
	2.50 to <10.00	4,923	1,702	66	6,025	3.53	250	40.5	2.5	7,664	127.2	85	−151
	2.5 to <5	*4,525*	*1,645*	*66*	*5,592*	*3.21*	*213*	*40.7*	*2.5*	*7,003*	*125.2*	*72*	*−142*
	5 to <10	*398*	*57*	*66*	*432*	*7.68*	*37*	*38.2*	*2.5*	*661*	*152.8*	*13*	*−9*
	10.00 to <100.00	451	31	8	453	15.89	9	42.1	2.5	989	218.2	30	−54
	10 to <20	*232*	*0*	*75*	*232*	*11.01*	*5*	*41.8*	*2.5*	*456*	*196.9*	*11*	*−17*
	20 to <30	*219*	*31*	*8*	*222*	*21.00*	*4*	*42.4*	*2.5*	*533*	*240.4*	*20*	*−37*
	30.00 to <100.00												
	100.00(Default)	926	208	53	1,037	100.00	38	42.0	2.5	0	0.0	436	−619
	Sub-total	**174,095**	**156,866**	**64**	**272,435**	**0.81**	**3,402**	**40.1**	**2.5**	**119,646**	**43.9**	**886**	**−1,280**

Table 14. 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 2022	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	569	206	75	724	0.08	5	44.5	2.5	169	23.4	0	0
	0.00 to <0.10	*315*	*0*	*0*	*315*	*0.03*	*3*	*43.9*	*2.5*	*35*	*11.2*	*0*	*0*
	0.10 to <0.15	*255*	*206*	*75*	*409*	*0.11*	*2*	*45.0*	*2.5*	*134*	*32.7*	*0*	*0*
	0.15 to <0.25	949	989	75	1,690	0.18	6	44.9	2.5	641	37.9	1	−1
	0.25 to <0.50	6,929	2,335	73	8,625	0.32	18	44.7	2.5	4,035	46.8	13	−6
	0.50 to <0.75	1,563	97	75	1,636	0.54	6	25.7	2.5	680	41.5	2	−2
	0.75 to <2.50	2,891	4,223	75	6,036	1.39	27	44.0	2.5	5,406	89.6	37	−15
	0.75 to <1.75	*2,891*	*4,174*	*75*	*6,012*	*1.39*	*20*	*44.1*	*2.5*	*5,402*	*89.9*	*37*	*−14*
	1.75 to <2.5		*49*	*50*	*24*	*2.00*	*7*	*9.2*	*2.5*	*5*	*19.2*	*0*	*0*
	2.50 to <10.00	110			110	2.69	1	45.0	2.5	146	132.1	1	−8
	2.5 to <5	*110*			*110*	*2.69*	*1*	*45.0*	*2.5*	*146*	*132.1*	*1*	*−8*
	5 to <10												
	10.00 to <100.00	140			8	21.00	1	45.0	2.5	15	191.2	1	0
	10 to <20												
	20 to <30	*140*			*8*	*21.00*	*1*	*45.0*	*2.5*	*15*	*191.2*	*1*	*0*
	30.00 to <100.00												
	100.00(Default)	164	3	100	167	100.00	9	40.5	2.5	0	0.0	68	−61
	Sub-total	**13,315**	**7,853**	**74**	**18,997**	**1.56**	**73**	**42.8**	**2.5**	**11,092**	**0.6**	**123**	**−92**
F-IRB Institutions	0.00 to <0.15	32,895	19,641	56	41,823	0.04	149	25.6	2.5	5,459	13.1	5	−2
	0.00 to <0.10	*31,218*	*18,232*	*55*	*39,141*	*0.04*	*138*	*24.7*	*2.5*	*4,590*	*11.7*	*4*	*−1*
	0.10 to <0.15	*1,677*	*1,409*	*71*	*2,682*	*0.11*	*11*	*40.2*	*2.5*	*869*	*32.4*	*1*	*−1*
	0.15 to <0.25	2,685	2,794	68	3,751	0.20	38	31.3	2.5	1,208	32.2	2	−1
	0.25 to <0.50	2,318	304	35	2,425	0.39	30	14.9	2.5	511	21.1	1	−1
	0.50 to <0.75	427	37	59	448	0.67	3	38.1	2.5	358	79.7	1	0
	0.75 to <2.50	1,809	326	65	2,021	1.44	23	42.0	2.5	2,091	103.4	12	−3
	0.75 to <1.75	*1,807*	*325*	*66*	*2,020*	*1.44*	*20*	*42.0*	*2.5*	*2,089*	*103.4*	*12*	*−3*
	1.75 to <2.5	*1*	*1*	*20*	*1*	*1.97*	*3*	*43.6*	*2.5*	*2*	*134.6*	*0*	*0*
	2.50 to <10.00	1,795	271	61	1,960	2.97	21	45.0	2.5	2,682	136.9	26	−6
	2.5 to <5	*1,777*	*242*	*66*	*1,936*	*2.91*	*15*	*45.0*	*2.5*	*2,630*	*135.8*	*25*	*−6*
	5 to <10	*18*	*29*	*20*	*24*	*8.00*	*6*	*45.0*	*2.5*	*53*	*221.8*	*1*	*0*
	10.00 to <100.00	12	31	20	18	11.02	7	45.0	2.5	44	246.8	1	0
	10 to <20	*12*	*31*	*20*	*18*	*11.02*	*7*	*45.0*	*2.5*	*44*	*246.8*	*1*	*0*
	20 to <30												
	30.00 to <100.00												
	100.00(Default)	220	31	83	245	100.00	1	45.0	2.5	0	0.0	110	−164
	Sub-total	**42,159**	**23,434**	**58**	**52,692**	**0.71**	**272**	**27.1**	**2.5**	**12,353**	**23.4**	**159**	**−178**
	TOTAL F-IRB	**853,726**	**231,394**	**64**	**1,026,980**	**0.38**	**10,112**	**42.2**	**1.8**	**188,904**	**18.4**	**1,558**	**−1,952**

Table 14. 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 2022	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	129,639	234,890	56	264,194	0.07	2,088	30.0	2.1	37,982	14.4	56	−57
	0.00 to <0.10	*82,826*	*157,888*	*56*	*173,760*	*0.05*	*1,471*	*29.2*	*2.0*	*19,281*	*11.1*	*24*	*−27*
	0.10 to <0.15	*46,814*	*77,002*	*56*	*90,433*	*0.11*	*617*	*31.7*	*2.1*	*18,701*	*20.7*	*31*	*−30*
	0.15 to <0.25	136,687	111,595	54	197,733	0.19	1,895	30.4	2.0	52,326	26.5	113	−145
	0.25 to <0.50	100,401	35,472	57	114,504	0.37	1,670	21.2	1.8	29,833	26.1	91	−127
	0.50 to <0.75	83,055	9,084	57	86,456	0.58	1,233	14.6	2.2	19,715	22.8	73	−88
	0.75 to <2.50	69,877	17,875	56	73,721	1.11	1,339	19.9	2.3	31,283	42.4	170	−236
	0.75 to <1.75	*69,655*	*17,864*	*56*	*73,516*	*1.11*	*1,264*	*19.9*	*2.3*	*31,246*	*42.5*	*170*	*−234*
	1.75 to <2.5	*222*	*11*	*25*	*205*	*1.85*	*75*	*6.6*	*2.8*	*37*	*18.3*	*0*	*−2*
	2.50 to <10.00	15,852	7,599	30	14,425	3.33	3,796	32.2	1.9	13,385	92.8	151	−233
	2.5 to <5	*14,610*	*7,449*	*30*	*13,582*	*3.04*	*3,761*	*31.9*	*2.0*	*12,194*	*89.8*	*126*	*−138*
	5 to <10	*1,242*	*150*	*41*	*843*	*8.00*	*35*	*36.9*	*1.2*	*1,192*	*141.4*	*25*	*−95*
	10.00 to <100.00	2,384	4	50	2,005	19.07	47	27.6	2.0	2,926	145.9	102	−301
	10 to <20	*735*	*2*	*30*	*388*	*11.00*	*35*	*37.3*	*3.4*	*718*	*185.0*	*16*	*−80*
	20 to <30	*1,649*	*3*	*62*	*1,617*	*21.00*	*12*	*25.2*	*1.6*	*2,208*	*136.5*	*86*	*−222*
	30.00 to <100.00												
	100.00(Default)	2,848	104	62	2,885	100.00	31	0.3	1.8	102	3.5	1,912	−1,923
	Sub-total	**540,742**	**416,623**	**55**	**755,924**	**0.80**	**12,099**	**26.0**	**2.0**	**187,552**	**24.8**	**2,667**	**−3,110**
A-IRB Corporates – SME	0.00 to <0.15	19,281	4,193	60	21,413	0.09	1,219	15.3	1.8	1,190	5.6	3	−5
	0.00 to <0.10	*9,984*	*2,952*	*59*	*11,293*	*0.05*	*492*	*16.2*	*2.0*	*477*	*4.2*	*1*	*−3*
	0.10 to <0.15	*9,297*	*1,241*	*62*	*10,120*	*0.13*	*727*	*14.3*	*1.5*	*712*	*7.0*	*2*	*−2*
	0.15 to <0.25	28,345	6,773	67	35,963	0.20	3,297	14.2	1.6	2,875	8.0	10	−17
	0.25 to <0.50	60,979	6,596	57	64,609	0.34	7,060	9.3	1.8	4,731	7.3	20	−27
	0.50 to <0.75	59,227	7,432	52	64,416	0.60	5,834	10.7	1.6	7,396	11.5	41	−71
	0.75 to <2.50	47,881	4,589	57	50,516	1.11	5,476	11.9	1.6	8,584	17.0	70	−99
	0.75 to <1.75	*46,029*	*4,373*	*57*	*48,745*	*1.07*	*4,791*	*11.9*	*1.6*	*8,277*	*17.0*	*66*	*−86*
	1.75 to <2.5	*1,851*	*216*	*56*	*1,770*	*2.03*	*685*	*12.0*	*1.2*	*307*	*17.4*	*4*	*−13*
	2.50 to <10.00	3,577	1,560	60	3,741	3.69	8,275	17.0	2.1	1,411	37.7	25	−68
	2.5 to <5	*3,112*	*1,506*	*60*	*3,340*	*3.22*	*8,123*	*16.8*	*2.3*	*1,244*	*37.2*	*19*	*−52*
	5 to <10	*465*	*54*	*59*	*402*	*7.63*	*152*	*17.9*	*1.0*	*167*	*41.6*	*6*	*−17*
	10.00 to <100.00	591	70	59	416	13.51	201	30.1	1.8	449	107.9	16	−98
	10 to <20	*431*	*59*	*57*	*312*	*11.00*	*119*	*33.5*	*2.0*	*379*	*121.5*	*12*	*−71*
	20 to <30	*160*	*11*	*68*	*105*	*21.01*	*82*	*19.9*	*1.1*	*71*	*67.5*	*4*	*−27*
	30.00 to <100.00												
	100.00(Default)	946	9	24	895	100.00	229	0.8	1.0	91	10.2	659	−675
	Sub-total	**220,827**	**31,223**	**59**	**241,968**	**0.97**	**31,591**	**11.6**	**1.7**	**26,727**	**11.0**	**845**	**−1,061**
A-IRB Corporates – Specialised lending	0.00 to <0.15	2,908	1,285	62	3,705	0.06	17	18.4	4.2	393	10.6	0	0
	0.00 to <0.10	*2,217*	*218*	*62*	*2,352*	*0.03*	*11*	*20.0*	*5.0*	*247*	*10.5*	*0*	*0*
	0.10 to <0.15	*691*	*1,067*	*62*	*1,353*	*0.11*	*6*	*15.7*	*2.9*	*146*	*10.8*	*0*	*0*
	0.15 to <0.25	2,591	561	58	2,914	0.20	6	21.5	4.1	751	25.8	1	−1
	0.25 to <0.50	11,426	4,761	61	14,336	0.32	25	25.9	3.7	4,925	34.4	12	−6
	0.50 to <0.75	5,369	2,160	69	6,854	0.54	23	24.4	3.9	2,821	41.2	9	−5
	0.75 to <2.50	7,203	5,575	62	10,660	1.27	19	29.9	4.3	8,795	82.5	41	−47
	0.75 to <1.75	*7,203*	*5,575*	*62*	*10,660*	*1.27*	*19*	*29.9*	*4.3*	*8,795*	*82.5*	*41*	*−47*
	1.75 to <2.5												
	2.50 to <10.00	203			203	2.69	15	14.0	2.3	82	40.3	1	0
	2.5 to <5	*203*			*203*	*2.69*	*14*	*14.0*	*2.3*	*82*	*40.3*	*1*	*0*
	5 to <10	*0*			*0*	*8.00*	*1*	*31.0*	*1.0*	*0*	*114.7*	*0*	
	10.00 to <100.00												
	10 to <20												
	20 to <30												
	30.00 to <100.00												
	100.00(Default)	0			0	100.00	3	26.0	1.0	0	325.0		
	Sub-total	**29,699**	**14,343**	**63**	**38,671**	**0.60**	**108**	**25.6**	**4.0**	**17,766**	**45.9**	**64**	**−59**
A-IRB Institutions	0.00 to <0.15	89,669	50,893	58	111,821	0.06	1,889	39.2	1.5	20,756	18.6	29	−46
	0.00 to <0.10	*79,146*	*40,618*	*57*	*95,005*	*0.05*	*1,657*	*39.4*	*1.5*	*16,042*	*16.9*	*21*	*−44*
	0.10 to <0.15	*10,524*	*10,275*	*61*	*16,816*	*0.12*	*232*	*38.2*	*1.5*	*4,714*	*28.0*	*8*	*−2*
	0.15 to <0.25	12,552	9,810	31	15,571	0.21	2,349	35.7	1.1	4,605	29.6	12	−20
	0.25 to <0.50	3,568	2,152	44	4,504	0.38	352	37.9	1.3	2,083	46.2	7	−1
	0.50 to <0.75	13	2	60	15	0.65	7	34.6	1.8	8	56.9	0	0
	0.75 to <2.50	2,795	914	10	2,625	1.13	188	36.6	1.4	2,321	88.4	12	0
	0.75 to <1.75	*2,119*	*616*	*11*	*2,183*	*0.99*	*135*	*32.9*	*1.5*	*1,681*	*77.0*	*7*	*0*
	1.75 to <2.5	*676*	*299*	*10*	*442*	*1.80*	*53*	*54.9*	*0.8*	*641*	*145.0*	*4*	*0*
	2.50 to <10.00	2,169	2,740	9	1,849	6.93	166	54.8	0.6	4,068	220.0	70	−2
	2.5 to <5	*510*	*581*	*11*	*460*	*3.70*	*65*	*56.0*	*0.6*	*828*	*180.0*	*10*	*0*
	5 to <10	*1,659*	*2,159*	*8*	*1,390*	*8.00*	*101*	*54.4*	*0.6*	*3,240*	*233.2*	*60*	*−2*
	10.00 to <100.00	373	1,054	9	302	13.23	160	55.2	0.4	846	279.6	22	−1
	10 to <20	*356*	*590*	*8*	*243*	*11.31*	*84*	*55.5*	*0.4*	*654*	*269.7*	*15*	*0*
	20 to <30	*17*	*465*	*10*	*60*	*21.01*	*76*	*54.0*	*0.6*	*191*	*319.6*	*7*	*0*
	30.00 to <100.00												
	100.00(Default)	8	68	10	15	100.00	29	8.3	1.7	15	103.4	25	−25
	Sub-total	**111,147**	**67,633**	**50**	**136,702**	**0.24**	**5,140**	**38.9**	**1.5**	**34,703**	**25.4**	**175**	**−96**

Table 14. 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 2022	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	219,397	5,886	60	222,900	0.09	314,826	6.6		3,458	1.6	13	−5
	0.00 to <0.10	219,397	5,886	60	222,900	0.09	314,826	6.6		3,458	1.6	13	−5
	0.10 to <0.15												
	0.15 to <0.25	202,943	11,540	56	209,443	0.16	279,048	10.0		7,526	3.6	33	−9
	0.25 to <0.50	127,923	30,134	52	143,613	0.30	212,964	15.2		12,662	8.8	67	−39
	0.50 to <0.75	33,611	8,278	53	37,997	0.66	54,685	15.0		5,723	15.1	38	−15
	0.75 to <2.50	21,027	2,480	80	23,002	1.32	26,573	14.7		5,270	22.9	44	−30
	0.75 to <1.75	20,760	2,447	79	22,701	1.31	26,028	14.7		5,179	22.8	43	−28
	1.75 to <2.5	267	34	100	301	2.00	545	14.6		91	30.2	1	−2
	2.50 to <10.00	13,123	570	64	13,490	4.34	14,878	12.4		5,380	39.9	75	−50
	2.5 to <5	9,590	304	61	9,778	3.37	11,130	11.9		3,289	33.6	39	−30
	5 to <10	3,533	266	67	3,713	6.90	3,748	13.8		2,091	56.3	35	−19
	10.00 to <100.00	4,975	35	75	5,002	23.88	8,240	11.6		3,229	64.6	127	−114
	10 to <20	3,161	16	73	3,172	14.40	5,480	12.6		2,181	68.7	58	−57
	20 to <30	237	0	100	237	20.00	679	16.2		229	96.7	8	−11
	30.00 to <100.00	1,577	19	76	1,592	43.34	2,081	8.9		818	51.4	62	−45
	100.00(Default)	697			697	100.00	1,725	16.3		218	31.2	99	−216
	Sub-total	**623,696**	**58,924**	**55**	**656,143**	**0.61**	**912,939**	**10.5**		**43,465**	**6.6**	**496**	**−477**
A-IRB Retail – Secured by immovable property SME	0.00 to <0.15	829	45	107	877	0.09	836	13.5		21	2.3	0	0
	0.00 to <0.10	829	45	107	877	0.09	836	13.5		21	2.3	0	0
	0.10 to <0.15												
	0.15 to <0.25	1,170	21	108	1,193	0.16	937	13.6		44	3.7	0	0
	0.25 to <0.50	1,990	412	67	2,265	0.32	3,514	14.3		152	6.7	1	−4
	0.50 to <0.75	576	98	44	620	0.64	869	19.3		90	14.5	1	−3
	0.75 to <2.50	4,087	192	78	4,232	1.32	6,788	13.2		685	16.2	7	−9
	0.75 to <1.75	3,421	179	80	3,560	1.14	6,218	13.2		528	14.8	5	−6
	1.75 to <2.5	666	13	50	672	2.26	570	13.4		157	23.3	2	−3
	2.50 to <10.00	727	25	63	742	4.83	873	13.2		253	34.0	5	−10
	2.5 to <5	559	14	67	568	4.04	645	13.0		174	30.6	3	−5
	5 to <10	168	11	59	175	7.40	228	13.6		79	45.2	2	−5
	10.00 to <100.00	134	2	77	135	20.01	145	12.3		68	50.3	4	−1
	10 to <20	106	2	77	108	13.26	101	11.4		50	46.6	2	−1
	20 to <30	4			4	28.14	3	6.4		1	30.2	0	0
	30.00 to <100.00	24			24	49.26	41	17.1		17	70.9	2	0
	100.00(Default)	70			70	100.00	83	11.7		51	72.1	4	−7
	Sub-total	**9,583**	**796**	**70**	**10,134**	**2.00**	**14,045**	**13.9**		**1,363**	**13.4**	**22**	**−35**
A-IRB Retail – Other non-SME	0.00 to <0.15	7,055	29,140	82	31,177	0.06	977,014	42.2		2,529	8.1	9	−27
	0.00 to <0.10	3,888	16,962	86	18,576	0.03	636,809	34.2		695	3.7	2	−11
	0.10 to <0.15	3,168	12,178	77	12,601	0.10	340,205	54.1		1,833	14.5	7	−17
	0.15 to <0.25	1,468	2,830	77	3,944	0.17	81,649	49.7		778	19.7	3	−10
	0.25 to <0.50	3,897	249	90	4,161	0.33	37,019	52.5		1,309	31.5	7	−18
	0.50 to <0.75	5,854	5,480	75	10,135	0.67	255,457	42.8		3,849	38.0	29	−36
	0.75 to <2.50	4,506	1,262	60	5,316	1.28	273,643	50.9		3,184	59.9	34	−54
	0.75 to <1.75	4,384	910	51	4,901	1.21	219,506	50.8		2,885	58.9	30	−49
	1.75 to <2.5	122	352	83	415	2.00	54,137	52.8		299	72.1	4	−5
	2.50 to <10.00	4,849	1,315	80	5,974	3.86	89,073	52.7		4,722	79.0	120	−200
	2.5 to <5	3,624	684	78	4,218	2.67	50,373	54.4		3,320	78.7	61	−89
	5 to <10	1,226	631	82	1,756	6.72	38,700	48.9		1,402	79.8	58	−111
	10.00 to <100.00	660	89	80	738	23.66	63,919	51.2		890	120.6	86	−136
	10 to <20	337	72	78	397	15.66	8,489	53.4		445	112.1	32	−51
	20 to <30	184	4	90	188	27.17	3,461	52.4		260	138.1	27	−57
	30.00 to <100.00	139	12	86	153	40.05	51,969	44.0		185	121.0	26	−28
	100.00(Default)	894	7	90	902	100.00	17,600	52.4		482	53.4	434	−523
	Sub-total	**29,185**	**40,372**	**80**	**62,347**	**2.38**	**1,795,374**	**45.5**		**17,742**	**28.5**	**723**	**−1,004**
A-IRB Retail – Other SME	0.00 to <0.15	406	108	93	692	0.06	8,668	93.9		110	15.9	0	−7
	0.00 to <0.10	400	108	93	687	0.06	8,629	94.3		110	16.0	0	−7
	0.10 to <0.15	5			5	0.13	39	46.9		1	11.2	0	0
	0.15 to <0.25	21	33	68	59	0.15	588	48.3		8	13.1	0	0
	0.25 to <0.50	1,032	2,896	69	3,168	0.32	16,996	53.0		841	26.6	5	−15
	0.50 to <0.75	709	173	61	1,012	0.58	21,551	67.0		551	54.5	4	−12
	0.75 to <2.50	2,553	2,114	79	4,329	1.43	504,902	50.5		2,295	53.0	33	−39
	0.75 to <1.75	1,705	1,795	79	3,121	1.17	490,282	45.1		1,284	41.2	17	−21
	1.75 to <2.5	847	319	78	1,208	2.11	14,620	64.7		1,010	83.7	16	−18
	2.50 to <10.00	1,446	612	79	2,039	5.32	19,900	58.0		1,765	86.6	70	−56
	2.5 to <5	1,063	385	80	1,393	4.13	8,355	50.1		959	68.9	31	−33
	5 to <10	383	227	77	646	7.88	11,545	75.1		805	124.8	39	−23
	10.00 to <100.00	359	100	80	460	29.87	9,143	57.5		577	125.5	82	−21
	10 to <20	167	31	82	192	13.47	702	46.0		143	74.4	12	−6
	20 to <30	51	5	77	68	22.35	939	60.2		96	139.6	9	−4
	30.00 to <100.00	141	64	80	199	48.29	7,502	67.7		339	170.0	61	−12
	100.00(Default)	133	3	73	135	100.00	913	47.5		101	74.7	57	−61
	Sub-total	**6,658**	**6,039**	**74**	**11,895**	**3.86**	**582,660**	**56.6**		**6,249**	**52.5**	**251**	**−212**
	TOTAL A-IRB	**1,571,538**	**635,953**	**57**	**1,913,785**	**0.79**	**3,352,631**	**20.5**	**1.2**	**335,567**	**17.5**	**5,243**	**−6,053**

Table 14. 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 2022	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	1,016,744	21,961	93	1,065,947	0.00	1,245	44.9	1.2	18,340	1.7	16	−1
	0.00 to <0.10	*1,016,266*	*21,961*	*93*	*1,065,469*	*0.00*	*1,238*	*44.9*	*1.2*	*18,158*	*1.7*	*16*	*−1*
	0.10 to <0.15	*478*			*478*	*0.14*	*7*	*45.0*	*2.5*	*182*	*38.0*	*0*	*0*
	0.15 to <0.25	105	17	70	118	0.21	20	42.6	2.5	53	45.2	0	0
	0.25 to <0.50	134	28	69	155	0.35	20	39.8	2.5	86	55.4	0	0
	0.50 to <0.75	6	8	70	12	0.55	14	43.7	2.5	9	74.8	0	0
	0.75 to <2.50	61	1	70	22	1.32	12	41.5	2.5	22	99.0	0	0
	0.75 to <1.75	*61*	*1*	*70*	*22*	*1.32*	*9*	*41.5*	*2.5*	*22*	*98.9*	*0*	*0*
	1.75 to <2.5	*0*			*0*	*2.09*	*3*	*40.0*	*2.5*	*0*	*109.6*	*0*	*0*
	2.50 to <10.00	36			0	5.26	10	45.0	2.5	0	160.7	0	0
	2.5 to <5	*0*			*0*	*4.00*	*3*	*45.0*	*2.5*	*0*	*148.0*	*0*	*0*
	5 to <10	*36*			*0*	*7.90*	*7*	*45.0*	*2.5*	*0*	*187.3*	*0*	*0*
	10.00 to <100.00	5			5	11.03	8	45.0	2.5	11	212.0	0	
	10 to <20	*5*			*5*	*11.00*	*4*	*45.0*	*2.5*	*11*	*211.9*	*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	**1,017,092**	**22,015**	**93**	**1,066,260**	**0.00**	**1,329**	**44.9**	**1.2**	**18,522**	**1.7**	**17**	**−1**
F-IRB Corporates – SME	0.00 to <0.15	8,608	2,363	69	10,213	0.05	85	43.6	2.5	1,486	14.5	2	−4
	0.00 to <0.10	*8,047*	*2,317*	*70*	*9,634*	*0.04*	*42*	*43.6*	*2.5*	*1,316*	*13.7*	*2*	*−4*
	0.10 to <0.15	*561*	*46*	*36*	*579*	*0.13*	*43*	*43.2*	*2.5*	*170*	*29.4*	*0*	*0*
	0.15 to <0.25	8,956	2,346	38	9,922	0.19	652	27.1	2.5	1,977	19.9	5	−9
	0.25 to <0.50	4,322	1,947	40	5,167	0.35	804	30.8	2.5	1,468	28.4	6	−10
	0.50 to <0.75	7,774	3,535	22	8,606	0.61	896	33.9	2.5	3,501	40.7	18	−29
	0.75 to <2.50	22,762	5,823	57	25,843	1.36	2,176	39.1	2.5	16,122	62.4	138	−70
	0.75 to <1.75	*19,122*	*4,708*	*57*	*21,752*	*1.22*	*1,615*	*39.0*	*2.5*	*13,184*	*60.6*	*103*	*−50*
	1.75 to <2.5	*3,640*	*1,115*	*53*	*4,090*	*2.12*	*561*	*39.7*	*2.5*	*2,938*	*71.8*	*34*	*−20*
	2.50 to <10.00	2,030	1,008	49	2,465	4.82	453	38.2	2.5	2,167	87.9	46	−41
	2.5 to <5	*1,358*	*861*	*50*	*1,734*	*3.81*	*368*	*38.5*	*2.5*	*1,486*	*85.7*	*26*	*−18*
	5 to <10	*672*	*148*	*45*	*730*	*7.21*	*85*	*37.5*	*2.5*	*681*	*93.2*	*20*	*−23*
	10.00 to <100.00	356	127	15	377	14.63	30	34.1	2.5	444	117.7	19	−38
	10 to <20	*276*	*103*	*14*	*291*	*12.09*	*21*	*34.4*	*2.5*	*338*	*116.3*	*12*	*−28*
	20 to <30	*81*	*23*	*22*	*86*	*23.19*	*9*	*32.9*	*2.5*	*105*	*122.4*	*7*	*−10*
	30.00 to <100.00												
	100.00(Default)	354	10	14	355	100.00	44	42.0	2.5			149	−122
	Sub-total	**55,163**	**17,159**	**46**	**62,948**	**1.55**	**5,140**	**36.5**	**2.5**	**27,163**	**43.2**	**382**	**−324**
F-IRB Corporates – Other	0.00 to <0.15	56,962	69,308	60	100,294	0.06	447	40.3	2.5	20,971	20.9	25	−68
	0.00 to <0.10	*43,577*	*46,802*	*59*	*71,999*	*0.05*	*330*	*41.3*	*2.5*	*13,098*	*18.2*	*14*	*−50*
	0.10 to <0.15	*13,385*	*22,505*	*62*	*28,295*	*0.11*	*117*	*37.5*	*2.5*	*7,873*	*27.8*	*12*	*−18*
	0.15 to <0.25	27,156	33,967	60	50,144	0.18	520	41.7	2.5	20,362	40.6	38	−87
	0.25 to <0.50	28,091	9,693	56	32,826	0.36	506	37.4	2.5	16,822	51.2	44	−57
	0.50 to <0.75	14,387	4,758	48	16,822	0.60	441	38.2	2.5	11,039	65.6	38	−42
	0.75 to <2.50	30,657	8,897	56	35,597	1.23	1,155	39.2	2.5	31,323	88.0	170	−153
	0.75 to <1.75	*28,179*	*8,321*	*55*	*32,804*	*1.15*	*905*	*39.8*	*2.5*	*28,857*	*88.0*	*151*	*−125*
	1.75 to <2.5	*2,478*	*575*	*60*	*2,793*	*2.18*	*250*	*32.1*	*2.5*	*2,466*	*88.3*	*19*	*−28*
	2.50 to <10.00	4,220	1,744	58	5,289	3.62	224	40.4	2.5	6,618	125.1	75	−91
	2.5 to <5	*3,713*	*1,633*	*60*	*4,754*	*3.12*	*184*	*40.7*	*2.5*	*5,827*	*122.6*	*59*	*−38*
	5 to <10	*506*	*111*	*28*	*536*	*8.10*	*40*	*37.4*	*2.5*	*791*	*147.7*	*16*	*−53*
	10.00 to <100.00	147	97	46	194	18.19	10	34.1	2.5	372	191.6	14	−38
	10 to <20	*9*	*97*	*46*	*56*	*11.25*	*6*	*7.3*	*2.5*	*20*	*36.2*	*1*	*−1*
	20 to <30	*138*	*0*	*70*	*138*	*21.02*	*4*	*45.0*	*2.5*	*352*	*254.8*	*13*	*−37*
	30.00 to <100.00												
	100.00(Default)	1,828	119	59	1,904	100.00	39	40.9	2.5			778	−1,132
	Sub-total	**163,448**	**128,583**	**59**	**243,071**	**1.21**	**3,342**	**39.9**	**2.5**	**107,507**	**44.2**	**1,182**	**−1,668**
F-IRB Corporates – Specialised Lending	0.00 to <0.15	562	210	70	720	0.09	4	44.5	2.5	185	25.8	0	0
	0.00 to <0.10	*319*			*319*	*0.06*	*2*	*43.9*	*2.5*	*55*	*17.2*	*0*	*0*
	0.10 to <0.15	*244*	*210*	*70*	*401*	*0.11*	*2*	*45.0*	*2.5*	*131*	*32.6*	*0*	*0*
	0.15 to <0.25	1,975	284	69	2,184	0.18	7	44.9	2.5	799	36.6	2	−1
	0.25 to <0.50	3,744	2,732	68	5,732	0.33	15	44.8	2.5	2,700	47.1	8	−3
	0.50 to <0.75	2,498	150	75	2,455	0.54	6	36.6	2.5	1,259	51.3	5	−2
	0.75 to <2.50	2,434	3,937	69	5,361	1.40	28	44.0	2.5	5,371	100.2	33	−8
	0.75 to <1.75	*2,431*	*3,848*	*70*	*5,313*	*1.40*	*19*	*44.3*	*2.5*	*5,364*	*101.0*	*33*	*−8*
	1.75 to <2.5	*3*	*89*	*47*	*48*	*2.00*	*9*	*7.1*	*2.5*	*7*	*14.9*	*0*	*0*
	2.50 to <10.00	107			107	2.69	1	45.0	2.5	142	132.1	1	−8
	2.5 to <5	*107*			*107*	*2.69*	*1*	*45.0*	*2.5*	*142*	*132.1*	*1*	*−8*
	5 to <10												
	10.00 to <100.00	110			110	25.00	1	44.9	2.5	287	260.9	12	−67
	10 to <20												
	20 to <30	*110*			*110*	*25.00*	*1*	*44.9*	*2.5*	*287*	*260.9*	*12*	*−67*
	30.00 to <100.00												
	100.00(Default)	363	3	93	366	100.00	15	43.8	2.5			161	−88
	Sub-total	**11,793**	**7,316**	**69**	**17,035**	**2.98**	**77**	**43.4**	**2.5**	**10,743**	**63.1**	**222**	**−176**

Table 14. 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 2022	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	39,066	19,272	56	47,350	0.04	145	22.9	2.5	5,141	10.9	4	0
	0.00 to <0.10	*38,913*	*19,073*	*56*	*47,098*	*0.04*	*135*	*22.9*	*2.5*	*5,092*	*10.8*	*4*	*0*
	0.10 to <0.15	*152*	*199*	*47*	*252*	*0.13*	*10*	*17.7*	*2.5*	*49*	*19.3*	*0*	*0*
	0.15 to <0.25	3,416	3,966	47	5,424	0.19	57	38.3	2.5	2,163	39.9	4	−1
	0.25 to <0.50	1,509	4	41	1,511	0.39	25	19.6	2.5	411	27.2	1	−2
	0.50 to <0.75	161	508	68	530	0.58	5	43.2	2.5	399	75.3	1	0
	0.75 to <2.50	2,147	791	50	2,569	1.36	29	39.6	2.5	2,497	97.2	14	−3
	0.75 to <1.75	*2,128*	*511*	*67*	*2,493*	*1.34*	*24*	*39.4*	*2.5*	*2,386*	*95.7*	*14*	*−3*
	1.75 to <2.5	*20*	*280*	*19*	*76*	*1.80*	*5*	*45.0*	*2.5*	*111*	*147.2*	*1*	*0*
	2.50 to <10.00	1,972	309	37	2,094	3.57	20	45.0	2.5	3,132	149.6	34	−6
	2.5 to <5	*1,755*	*238*	*42*	*1,863*	*3.02*	*15*	*45.0*	*2.5*	*2,619*	*140.6*	*25*	*−6*
	5 to <10	*217*	*71*	*19*	*231*	*8.00*	*5*	*45.0*	*2.5*	*513*	*221.8*	*8*	*0*
	10.00 to <100.00		21	19	4	11.84	4	45.0	2.5	11	252.5	0	0
	10 to <20		*21*	*19*	*4*	*11.84*	*4*	*45.0*	*2.5*	*11*	*252.5*	*0*	*0*
	20 to <30												
	30.00 to <100.00												
	100.00(Default)	209	29	78	233	100.00	1	45.0	2.5			105	−159
	Sub-total	**48,480**	**24,900**	**54**	**59,715**	**0.64**	**286**	**25.9**	**2.5**	**13,754**	**23.0**	**163**	**−171**
	TOTAL F-IRB	**1,295,977**	**199,973**	**61**	**1,449,029**	**0.33**	**10,173**	**42.9**	**1.5**	**177,690**	**12.3**	**1,967**	**−2,340**

COMMENT

- *The IRB approach is applied for the majority of SEB's credit risk exposures. 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 the non-retail portfolio.*

Table 15. EU CR6-A – Scope of the use of IRB and SA approaches

SEK m		a	b	c	d	e
31 Dec 2022		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	594,710	588,445	1.2%	0.1%	98.7%
1.1	*Of which Regional governments or local authorities*		*28,369*			*100.0%*
1.2	*Of which Public sector entities*		*1,347*			*100.0%*
2	Institutions	213,560	204,463	1.1%	1.1%	97.8%
3	Corporates	1,467,930	1,380,460	0.4%	0.5%	99.2%
3.1	*Of which Corporates – Specialised lending, excluding slotting approach*		*57,665*			*100.0%*
3.2	*Of which Corporates – Specialised lending under slotting approach*		*57,665*			*100.0%*
4	Retail	759,943	718,758	0.3%	3.9%	95.7%
4.1	*of which Retail – Secured by real estate SMEs*		*10,102*		*5.3%*	*94.7%*
4.2	*of which Retail – Secured by real estate non-SMEs*		*649,909*	*0.1%*	*2.1%*	*97.8%*
4.3	*of which Retail – Qualifying revolving*					
4.4	*of which Retail – Other SMEs*		*12,441*	*0.2%*	*37.3%*	*62.6%*
4.5	*of which Retail – Other non-SMEs*		*46,305*	*3.7%*	*20.2%*	*76.1%*
5	Equity	17,051	16,392	97.9%	2.1%	
6	Other non-credit obligation assets	17,262	17,262	100.0%		
7	**TOTAL**	**3,070,456**	**2,925,781**	**1.7%**	**1.3%**	**97.0%**

Table 15. 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*		*33,104*			*100.0%*
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*					
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%**

COMMENT

- *As of 31 December 2022, 97 per cent of the credit risk exposure amounts were calculated using the IRB approach, and only a few minor portfolios were reported according to Standardised approach.*

Table 16. EU CR7 – IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques

SEK m		a	b	a	b
		31 Dec 2022		30 Jun 2022	
		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**	**188,904**	**188,904**	**177,690**	**177,690**
2	Central governments and central banks	17,041	17,041	18,522	18,522
3	Institutions	12,353	12,353	13,754	13,754
4	Corporates	159,511	159,511	145,414	145,414
4.1	*of which SMEs*	*28,773*	*28,773*	*27,163*	*27,163*
4.2	*of which Specialised lending*	*11,092*	*11,092*	*10,743*	*10,743*
5	**Exposures under A-IRB**	**345,491**	**345,491**	**335,567**	**335,567**
6	Central governments and central banks				
7	Institutions	42,156	42,156	34,703	34,703
8	Corporates	235,525	235,525	232,046	232,046
8.1	*of which Corporates – SMEs*	*26,975*	*26,975*	*26,727*	*26,727*
8.2	*of which Corporates – Specialised lending*	*18,172*	*18,172*	*17,766*	*17,766*
9	Retail	67,810	67,810	68,818	68,818
9.1	*of which Retail – SMEs – Secured by immovable property collateral*	*1,335*	*1,335*	*1,363*	*1,363*
9.2	*of which Retail – non-SMEs – Secured by immovable property collateral*	*43,308*	*43,308*	*43,465*	*43,465*
9.3	*of which Retail – Qualifying revolving*				
9.4	*of which Retail – SMEs - Other*	*6,044*	*6,044*	*6,249*	*6,249*
9.5	*of which Retail – Non-SMEs- Other*	*17,123*	*17,123*	*17,742*	*17,742*
10	**TOTAL (including F-IRB exposures and A-IRB exposures)**	**534,395**	**534,395**	**513,256**	**513,256**

COMMENT

- *Credit derivatives are not used as CRM techniques in the capital reporting.*

Table 17. 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 2022		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 Receiv-ables (%)	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 Instru-ments 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	144,308		1.9	1.9							3.5		42,071	42,156
3 Corporates	1,081,614		34.9	34.9							2.0		236,692	235,525
3.1 *of which Corporates – SMEs*	*234,431*		*74.9*	*74.9*							*1.7*		*26,524*	*26,975*
3.2 *of which Corporates – Specialised lending*	*41,997*		*3.5*	*3.5*							*0.0*		*18,170*	*18,172*
3.3 *of which Corporates – Other*	*805,186*		*24.9*	*24.9*							*2.2*		*191,998*	*190,378*
4 Retail	730,783	0.0	78.1	77.7	0.1	0.4				0.0	0.3		67,810	67,810
4.1 *of which Retail – Immovable property SMEs*	*9,867*	*0.0*	*95.6*	*94.7*	*0.0*	*0.9*					*0.4*		*1,335*	*1,335*
4.2 *of which Retail – Immovable property non-SMEs*	*647,937*	*0.0*	*86.1*	*86.1*		*0.0*					*0.3*		*43,308*	*43,308*
4.3 *of which Retail – Qualifying revolving*														
4.4 *of which Retail – Other SMEs*	*11,844*	*0.7*	*28.5*	*0.2*	*6.4*	*21.8*					*1.9*		*6,044*	*6,044*
4.5 *of which Retail – Other non-SMEs*	*61,136*	*0.0*	*0.3*	*0.3*		*0.0*					*0.0*		*17,123*	*17,123*
5 **TOTAL**	**1,956,706**	**0.0**	**48.6**	**48.5**	**0.0**	**0.1**				**0.0**	**1.4**		**346,573**	**345,491**
F-IRB														
1 Central governments and central banks	618,317	0.3	0.8	0.2	0.0	0.6					0.6		15,556	17,041
2 Institutions	52,692	6.4	4.3	3.9	0.0	0.5					10.8		12,651	12,353
3 Corporates	355,972	6.3	26.6	14.7	3.6	8.3					3.0		159,511	159,511
3.1 *of which Corporates – SMEs*	*64,540*	*5.6*	*50.5*	*24.9*	*8.7*	*16.9*					*2.3*		*28,896*	*28,773*
3.2 *of which Corporates – Specialised lending*	*18,997*	*4.6*	*1.3*	*0.7*	*0.4*	*0.3*					*0.7*		*11,104*	*11,092*
3.3 *of which Corporates – Other*	*272,435*	*6.6*	*22.8*	*13.3*	*2.6*	*6.9*					*3.4*		*119,511*	*119,646*
4 **TOTAL**	**1,026,980**	**2.7**	**9.9**	**5.4**	**1.2**	**3.3**					**2.0**		**187,718**	**188,904**

Table 17. 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 2022		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	136,702		1.1	1.1							3.5		34,517	34,703
3 Corporates	1,036,564		35.7	35.7							2.5		233,335	232,046
3.1 *of which Corporates – SMEs*	*241,968*		*74.4*	*74.4*							*3.3*		*26,666*	*26,727*
3.2 *of which Corporates – Specialised lending*	*38,671*		*3.6*	*3.6*									*17,766*	*17,766*
3.3 *of which Corporates – Other*	*755,924*		*24.9*	*24.9*							*2.4*		*188,903*	*187,552*
4 Retail	740,519	0.0	79.5	79.1	0.1	0.3				0.0	0.3		68,818	68,818
4.1 *of which Retail – Immovable property SMEs*	*10,134*	*0.0*	*95.6*	*94.6*	*0.0*	*0.9*					*0.4*		*1,363*	*1,363*
4.2 *of which Retail – Immovable property non-SMEs*	*656,143*	*0.0*	*87.7*	*87.7*		*0.0*					*0.3*		*43,465*	*43,465*
4.3 *of which Retail – Qualifying revolving*														
4.4 *of which Retail – Other SMEs*	*11,895*	*0.5*	*24.4*	*0.3*	*6.3*	*17.9*					*1.8*		*6,249*	*6,249*
4.5 *of which Retail – Other non-SMEs*	*62,347*	*0.0*	*0.3*	*0.3*		*0.0*					*0.0*		*17,742*	*17,742*
5 **TOTAL**	**1,913,785**	**0.0**	**50.1**	**50.0**	**0.0**	**0.1**				**0.0**	**1.7**		**336,670**	**335,567**
F-IRB														
1 Central governments and central banks	1,066,260	0.2	0.4	0.1	0.0	0.3					0.3		17,013	18,522
2 Institutions	59,715	4.1	3.5	3.1		0.4					9.6		14,080	13,754
3 Corporates	323,054	7.6	25.6	14.1	3.9	7.6					3.3		145,390	145,414
3.1 *of which Corporates – SMEs*	*62,948*	*10.7*	*42.4*	*22.6*	*8.7*	*11.0*					*2.1*		*27,275*	*27,163*
3.2 *of which Corporates – Specialised lending*	*17,035*	*3.4*	*1.2*	*0.9*	*0.1*	*0.3*					*1.0*		*10,758*	*10,743*
3.3 *of which Corporates – Other*	*243,071*	*7.1*	*22.9*	*12.8*	*2.9*	*7.2*					*3.8*		*107,357*	*107,507*
4 **TOTAL**	**1,449,029**	**2.0**	**6.2**	**3.3**	**0.9**	**2.0**					**1.4**		**176,484**	**177,690**

COMMENT

- *SEB mainly uses immovable property collateral and financial collateral as credit risk mitigation techniques. As of 31 December 2022, 48 per cent of the exposures under IRB Advanced approach were covered by immovable property collateral.*

Table 18. EU CR9 – IRB approach – Back-testing of PD per exposure class (fixed PD scale)

a	b	c	d	e	f	g	h
SEK m		Number of obligors at the end of the year					
31 Dec 2022	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	1,699			0.07	0.07	
	0.00 to <0.10	*1,200*			*0.05*	*0.05*	
	0.10 to <0.15	*499*			*0.11*	*0.11*	
	0.15 to <0.25	1,392			0.19	0.20	0.0
	0.25 to <0.50	1,222	*2*	0.2	0.37	0.37	0.1
	0.50 to <0.75	937			0.58	0.59	0.1
	0.75 to <2.50	1,061	*3*	0.3	1.10	1.17	0.1
	0.75 to <1.75	*1,011*	*3*	*0.3*	*1.10*	*1.13*	*0.2*
	1.75 to <2.5	*50*			*1.83*	*2.09*	
	2.50 to <10.00	933	*14*	1.5	3.42	3.96	0.8
	2.5 to <5	*908*	*13*	*1.4*	*3.04*	*3.85*	*0.4*
	5 to <10	*25*	*1*	*4.0*	*8.00*	*8.00*	*11.6*
	10.00 to <100.00	31	*6*	19.4	19.10	16.76	21.3
	10 to <20	*12*			*11.00*	*12.17*	*10.0*
	20 to <30	*19*	*6*	*31.6*	*21.00*	*21.00*	*31.4*
	30.00 to <100.00						
	100.00 (Default)	29			100.00	100.00	
A-IRB Corporates – SME	0.00 to <0.15	909			0.10	0.11	0.0
	0.00 to <0.10	*351*			*0.06*	*0.08*	*0.1*
	0.10 to <0.15	*558*			*0.13*	*0.13*	
	0.15 to <0.25	2,138	*2*	0.1	0.20	0.20	0.0
	0.25 to <0.50	4,659	*1*	0.0	0.34	0.34	0.0
	0.50 to <0.75	3,659	*6*	0.2	0.60	0.62	0.2
	0.75 to <2.50	3,120	*12*	0.4	1.11	1.19	0.4
	0.75 to <1.75	*2,811*	*11*	*0.4*	*1.06*	*1.08*	*0.4*
	1.75 to <2.5	*309*	*1*	*0.3*	*1.99*	*2.15*	*0.6*
	2.50 to <10.00	1,017	*10*	1.0	3.99	4.22	1.3
	2.5 to <5	*933*	*4*	*0.4*	*3.36*	*3.95*	*0.7*
	5 to <10	*84*	*6*	*7.1*	*7.70*	*7.53*	*6.1*
	10.00 to <100.00	63	*7*	11.1	14.67	15.96	19.9
	10 to <20	*30*	*1*	*3.3*	*11.00*	*11.14*	*16.8*
	20 to <30	*33*	*6*	*18.2*	*21.01*	*21.15*	*22.8*
	30.00 to <100.00						
	100.00 (Default)	40			100.00	100.00	
A-IRB Corporates – Specialised lending	0.00 to <0.15	18			0.06	0.06	
	0.00 to <0.10	*11*			*0.03*	*0.03*	
	0.10 to <0.15	*7*			*0.11*	*0.11*	
	0.15 to <0.25	8			0.20	0.19	
	0.25 to <0.50	27			0.32	0.32	
	0.50 to <0.75	18			0.54	0.54	
	0.75 to <2.50	15			1.25	1.05	
	0.75 to <1.75	*15*			*1.25*	*1.05*	
	1.75 to <2.5						
	2.50 to <10.00	3	*1*	33.3	2.69	2.69	11.8
	2.5 to <5	*3*	*1*	*33.3*	*2.69*	*2.69*	*6.7*
	5 to <10						
	10.00 to <100.00						
	10 to <20						
	20 to <30						
	30.00 to <100.00						
	100.00 (Default)	1			100.00	100.00	
A-IRB Institutions	0.00 to <0.15	1,887			0.07	0.06	
	0.00 to <0.10	*1,686*			*0.06*	*0.05*	
	0.10 to <0.15	*201*			*0.12*	*0.13*	
	0.15 to <0.25	1,051	*3*	0.3	0.20	0.21	0.1
	0.25 to <0.50	308	*2*	0.6	0.37	0.40	0.1
	0.50 to <0.75	4			0.65	0.65	
	0.75 to <2.50	136	*1*	0.7	1.04	1.26	0.1
	0.75 to <1.75	*98*			*1.00*	*1.04*	
	1.75 to <2.5	*38*	*1*	*2.6*	*1.80*	*1.82*	*0.5*
	2.50 to <10.00	144	*1*	0.7	6.44	6.12	**0.1**
	2.5 to <5	*62*			*3.70*	*3.67*	
	5 to <10	*82*	*1*	*1.2*	*8.00*	*8.00*	**0.2**
	10.00 to <100.00	120	*1*	0.8	11.80	15.47	0.4
	10 to <20	*76*			*11.10*	*12.08*	
	20 to <30	*44*	*1*	*2.3*	*21.01*	*21.47*	*1.0*
	30.00 to <100.00						
	100.00 (Default)	8			100.00	100.00	

Table 18. EU CR9 – IRB approach – Back-testing of PD per exposure class (fixed PD scale)

a	b	c	d	e	f	g	h
SEK m		Number of obligors at the end of the year					
31 Dec 2022	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	301,070	4	0.0	0.09	0.09	0.0
	0.00 to <0.10	*301,070*	*4*	*0.0*	*0.09*	*0.09*	*0.0*
	0.10 to <0.15						
	0.15 to <0.25	287,953	26	0.0	0.16	0.16	0.0
	0.25 to <0.50	216,169	23	0.0	0.30	0.31	0.0
	0.50 to <0.75	55,892	22	0.0	0.66	0.65	0.1
	0.75 to <2.50	28,101	12	0.0	1.35	1.32	0.2
	0.75 to <1.75	*27,198*	*10*	*0.0*	*1.34*	*1.30*	*0.2*
	1.75 to <2.5	*903*	*2*	*0.2*	*2.00*	*2.00*	*2.2*
	2.50 to <10.00	14,213	35	0.2	4.25	4.26	0.6
	2.5 to <5	*10,788*	*23*	*0.2*	*3.36*	*3.43*	*0.5*
	5 to <10	*3,425*	*12*	*0.4*	*6.90*	*6.90*	*0.9*
	10.00 to <100.00	8,370	215	2.6	23.64	22.51	5.8
	10 to <20	*5,661*	*82*	*1.4*	*14.25*	*15.50*	*4.5*
	20 to <30	*720*	*20*	*2.8*	*20.00*	*20.00*	*4.2*
	30.00 to <100.00	*1,989*	*113*	*5.7*	*43.33*	*43.39*	*10.1*
	100.00 (Default)	1,967			100.00	100.00	
A-IRB Retail – Secured by immovable property SME	0.00 to <0.15	831			0.09	0.09	0.1
	0.00 to <0.10	*831*			*0.09*	*0.09*	*0.1*
	0.10 to <0.15						
	0.15 to <0.25	992			0.16	0.16	0.1
	0.25 to <0.50	3,488	3	0.1	0.32	0.33	0.0
	0.50 to <0.75	842	1	0.1	0.64	0.63	0.1
	0.75 to <2.50	6,474	12	0.2	1.30	1.30	0.3
	0.75 to <1.75	*5,838*	*11*	*0.2*	*1.12*	*1.20*	*0.2*
	1.75 to <2.5	*636*	*1*	*0.2*	*2.25*	*2.19*	*1.2*
	2.50 to <10.00	1,006	9	0.9	4.68	4.96	1.6
	2.5 to <5	*715*	*6*	*0.8*	*4.05*	*3.88*	*1.5*
	5 to <10	*291*	*3*	*1.0*	*7.49*	*7.60*	*1.8*
	10.00 to <100.00	135	8	5.9	20.05	24.59	6.6
	10 to <20	*89*	*6*	*6.7*	*13.25*	*13.24*	*5.4*
	20 to <30	*11*	*1*	*9.1*	*28.14*	*28.14*	*9.1*
	30.00 to <100.00	*35*	*1*	*2.9*	*49.94*	*52.31*	*8.4*
	100.00 (Default)	88			100.00	100.00	
A-IRB Retail – Other non-SME	0.00 to <0.15	974,088	2,114	0.2	0.06	0.06	0.1
	0.00 to <0.10	*636,186*	*1,401*	*0.2*	*0.03*	*0.03*	*0.1*
	0.10 to <0.15	*337,902*	*713*	*0.2*	*0.10*	*0.10*	*0.1*
	0.15 to <0.25	81,895	335	0.4	0.17	0.18	0.2
	0.25 to <0.50	37,706	63	0.2	0.33	0.33	0.3
	0.50 to <0.75	265,988	2,927	1.1	0.68	0.69	1.0
	0.75 to <2.50	269,740	532	0.2	1.27	1.36	0.3
	0.75 to <1.75	*214,052*	*434*	*0.2*	*1.21*	*1.20*	*0.3*
	1.75 to <2.5	*55,688*	*98*	*0.2*	*2.00*	*2.00*	*0.3*
	2.50 to <10.00	92,589	2,151	2.3	3.87	4.42	3.0
	2.5 to <5	*53,393*	*608*	*1.1*	*2.68*	*2.84*	*1.4*
	5 to <10	*39,196*	*1,543*	*3.9*	*6.82*	*6.57*	*5.5*
	10.00 to <100.00	59,304	2,330	3.9	23.24	41.92	6.2
	10 to <20	*10,376*	*1,071*	*10.3*	*15.49*	*16.10*	*12.6*
	20 to <30	*3,796*	*536*	*14.1*	*27.31*	*25.02*	*14.8*
	30.00 to <100.00	*45,132*	*723*	*1.6*	*39.95*	*49.27*	*3.0*
	100.00 (Default)	18,840			100.00	100.00	
A-IRB Retail – Other SME	0.00 to <0.15	8,962	4	0.0	0.06	0.06	0.1
	0.00 to <0.10	*8,915*	*4*	*0.0*	*0.05*	*0.06*	*0.1*
	0.10 to <0.15	*47*			*0.13*	*0.13*	*0.3*
	0.15 to <0.25	633	2	0.3	0.15	0.15	0.3
	0.25 to <0.50	17,103	30	0.2	0.32	0.32	0.2
	0.50 to <0.75	21,386	68	0.3	0.58	0.56	0.2
	0.75 to <2.50	441,926	167	0.0	1.45	1.38	0.1
	0.75 to <1.75	*427,377*	*60*	*0.0*	*1.17*	*1.35*	*0.0*
	1.75 to <2.5	*14,549*	*107*	*0.7*	*2.11*	*2.01*	*0.6*
	2.50 to <10.00	20,276	232	1.1	5.29	6.41	1.0
	2.5 to <5	*8,290*	*84*	*1.0*	*4.05*	*4.35*	*1.1*
	5 to <10	*11,986*	*148*	*1.2*	*7.84*	*7.84*	*0.9*
	10.00 to <100.00	9,238	272	2.9	26.97	41.74	3.0
	10 to <20	*667*	*35*	*5.2*	*13.44*	*14.24*	*7.8*
	20 to <30	*991*	*45*	*4.5*	*23.67*	*21.23*	*5.1*
	30.00 to <100.00	*7,580*	*192*	*2.5*	*47.71*	*46.84*	*2.2*
	100.00 (Default)	733			100.00	100.00	

Table 18. EU CR9 – IRB approach – Back-testing of PD per exposure class (fixed PD scale)

a	b	c	d	e	f	g	h
SEK m		Number of obligors at the end of the year					
31 Dec 2022	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	669			0.01	0.02	
	0.00 to <0.10	666			0.01	0.02	
	0.10 to <0.15	3			0.10	0.12	
	0.15 to <0.25	2			0.23	0.15	
	0.25 to <0.50	1			0.35	0.31	
	0.50 to <0.75						
	0.75 to <2.50						
	0.75 to <1.75						
	1.75 to <2.5						
	2.50 to <10.00	4			6.35	6.50	5.0
	2.5 to <5						
	5 to <10	4			7.95	6.50	5.0
	10.00 to <100.00	3	1	33.3	14.51	16.00	6.7
	10 to <20	2	1	50.0	11.00	11.00	10.0
	20 to <30	1				21.00	0.0
	30.00 to <100.00						
	100.00 (Default)						
F-IRB Corporates – SME	0.00 to <0.15	21			0.04	0.06	
	0.00 to <0.10	18			0.03	0.05	
	0.10 to <0.15	3			0.13	0.12	
	0.15 to <0.25	48			0.20	0.21	
	0.25 to <0.50	127			0.35	0.40	0.1
	0.50 to <0.75	74			0.61	0.63	
	0.75 to <2.50	1,006			1.40	1.28	0.3
	0.75 to <1.75	769			1.26	1.10	0.1
	1.75 to <2.5	237			2.13	1.86	1.0
	2.50 to <10.00	110	1	0.9	5.13	4.08	0.5
	2.5 to <5	87	1	1.1	3.50	3.31	0.6
	5 to <10	23			7.10	6.99	
	10.00 to <100.00	15	1	6.7	17.33	14.57	20.2
	10 to <20	9			12.10	11.00	8.5
	20 to <30	6	1	16.7	22.21	21.00	39.2
	30.00 to <100.00						
	100.00 (Default)	10			100.00	100.00	
F-IRB Corporates – Other	0.00 to <0.15	286			0.06	0.07	0.1
	0.00 to <0.10	206			0.05	0.05	
	0.10 to <0.15	80			0.11	0.12	0.2
	0.15 to <0.25	388			0.18	0.20	
	0.25 to <0.50	515	1	0.2	0.36	0.38	0.1
	0.50 to <0.75	168			0.59	0.60	
	0.75 to <2.50	1,075			1.19	1.23	0.2
	0.75 to <1.75	843			1.11	1.06	0.1
	1.75 to <2.5	232			2.18	1.85	0.5
	2.50 to <10.00	153	2	1.3	3.53	3.73	2.6
	2.5 to <5	142	2	1.4	3.21	3.43	2.8
	5 to <10	11			7.68	7.53	0.0
	10.00 to <100.00	11	6	54.5	15.89	18.80	24.5
	10 to <20	7	5	71.4	11.01	11.50	14.3
	20 to <30	4	1	25.0	21.00	23.67	31.7
	30.00 to <100.00						
	100.00 (Default)	28			100.00	100.00	
F-IRB Corporates – Specialised Lending	0.00 to <0.15	1			0.03	0.06	
	0.00 to <0.10				0.11		
	0.10 to <0.15	5			0.18	0.17	
	0.15 to <0.25	9			0.32	0.38	
	0.25 to <0.50	4			0.54	0.54	
	0.50 to <0.75	13			1.39	1.41	
	0.75 to <2.50	11			1.39	1.30	
	0.75 to <1.75	2			2.00	2.00	
	1.75 to <2.5						
	2.50 to <10.00						
	2.5 to <5						
	5 to <10						18.8
	10.00 to <100.00						
	10 to <20						12.5
	20 to <30						
	30.00 to <100.00	15			100.00	100.00	
	100.00 (Default)						

Table 18. EU CR9 – IRB approach – Back-testing of PD per exposure class (fixed PD scale)

a	b	c	d	e	f	g	h
SEK m		Number of obligors at the end of the year					
31 Dec 2022	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	83			0.04	0.05	
	0.00 to <0.10	*81*			*0.04*	*0.05*	
	0.10 to <0.15	*2*			*0.11*	*0.13*	
	0.15 to <0.25	26			0.20	0.19	
	0.25 to <0.50	15			0.39	0.37	
	0.50 to <0.75	4			0.67	0.59	
	0.75 to <2.50	26	*1*	3.8	1.44	1.40	0.8
	0.75 to <1.75	*23*	*1*	*4.3*	*1.44*	*1.33*	*0.9*
	1.75 to <2.5	*3*			*1.97*	*1.93*	
	2.50 to <10.00	12			2.97	4.26	
	2.5 to <5	*11*			*2.91*	*3.92*	
	5 to <10	*1*			*8.00*	*8.00*	
	10.00 to <100.00	4			11.02	11.75	5.7
	10 to <20	*4*			*11.02*	*11.75*	
	20 to <30						
	30.00 to <100.00						
	100.00 (Default)	1			100.00	100.00	

Table 18. EU CR9 – IRB approach – Back-testing of PD per exposure class (fixed PD scale)

a	b	c	d	e	f	g	h
SEK m		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 18. EU CR9 – IRB approach – Back-testing of PD per exposure class (fixed PD scale)

a	b	c	d	e	f	g	h
SEK m		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			0.13	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 18. EU CR9 – IRB approach – Back-testing of PD per exposure class (fixed PD scale)

a	b	c	d	e	f	g	h
SEK m		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						
	2.5 to <5						
	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 18. EU CR9 – IRB approach – Back-testing of PD per exposure class (fixed PD scale)

a	b	c	d	e	f	g	h
SEK m		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 19. Equity exposures not included in the trading book

SEK m

31 Dec 2022	Book value	Fair value	Fair value of listed shares	Unrealised gains/losses	Realised gains/losses
Associates (venture capital holdings)	550	550		−39	−146
Associates (strategic investments)	790	790			
Other strategic investments	5,278	5,278	581	−154	−22
TOTAL	**6,618**	**6,618**	**581**	**−193**	**−168**

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
TOTAL	**8,539**	**8,539**	**1,017**	**685**	**515**

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 the *Large Corporates & Financial Institutions Division* (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 (SA-CCR).

Table 20. EU CCR1 – Analysis of CCR exposure by approach

SEK m	a	b	c	d	e	f	g	h
31 Dec 2022	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)	8,117	10,114		1.4	23,938	23,938	23,938	3,672
2 IMM (for derivatives and SFTs)			75,364	1.4	137,205	137,205	137,205	16,246
2a *Of which securities financing transactions netting sets*			*212*		*33,670*	*33,670*	*33,670*	*36*
2b *Of which derivatives and long settlement transactions netting sets*			*75,152*		*103,535*	*103,535*	*103,535*	*16,210*
4 Financial collateral comprehensive method (for SFTs)					70,321	70,321	70,321	5,437
6 **TOTAL**					**231,464**	**231,464**	**231,464**	**25,354**

SEK m	a	b	c	d	e	f	g	h
30 Jun 2022	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)	11,052	9,525		1.4	27,276	27,276	27,276	3,699
2 IMM (for derivatives and SFTs)			104,757	1.4	144,523	144,523	144,523	17,325
2a *Of which securities financing transactions netting sets*			*21,740*		*30,435*	*30,435*	*30,435*	*50*
2b *Of which derivatives and long settlement transactions netting sets*			*83,018*		*114,088*	*114,088*	*114,088*	*17,276*
4 Financial collateral comprehensive method (for SFTs)					68,283	68,283	68,283	5,389
6 **TOTAL**					**240,082**	**240,082**	**240,082**	**26,414**

COMMENT

- *Derivatives RWEA decreased by SEK 1.1bn mainly due to lower exposure (SEK –13.9bn) compared to June 2022. Lower derivatives exposure caused a decrease in EEPE values that are measured according to the Internal Model Method (IMM).*

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

SEK m		31 Dec 2022		30 Jun 2022	
		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	57,125	12,309	62,372	12,634
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**	**57,125**	**12,309**	**62,372**	**12,634**

COMMENT

- *CVA RWA decreased slightly compared to June 2022, mainly driven by a decrease in EAD.*

Table 22. EU CCR3 – Standardised approach – CCR exposures by regulatory portfolio and risk weights

SEK m		Risk weight					
31 Dec 2022		2%	20%	50%	75%	100%	Total
6	Institutions	16,829	6				16,835
7	Corporates		11			277	288
8	Retail				2		2
11	**TOTAL**	**16,829**	**17**		**2**	**277**	**17,124**

SEK m		Risk weight					
30 Jun 2022		2%	20%	50%	75%	100%	Total
6	Institutions	14,517	24				14,540
7	Corporates					235	235
8	Retail				1		1
11	**TOTAL**	**14,517**	**24**		**1**	**235**	**14,776**

COMMENT

- *Counterparty credit risk exposures under the standardised approach increased during the second half of 2022, mainly due to increased exposures to central counterparties.*

Table 23. 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 2022							30 Jun 2022						
	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	72,929	0.04	1,074	39.7	1.2	8,557	11.7	77,152	0.05	1,124	39.3	1.2	9,148	11.9
	0.15 to <0.25	2,865	0.20	108	39.1	0.8	846	29.5	2,511	0.21	103	39.5	0.6	687	27.4
	0.25 to <0.50	4,924	0.37	208	40.9	0.3	1,829	37.2	4,580	0.37	212	40.2	0.4	1,712	37.4
	0.50 to <0.75	17	0.65	2	42.4	0.5	12	70.4	31	0.65	2	41.0	0.3	20	64.3
	0.75 to <2.50	198	1.00	30	42.1	1.5	158	79.8	473	1.00	36	41.4	1.3	359	76.0
	2.50 to <10.00	101	3.70	1	41.0	0.1	105	103.3	135	3.70	1	41.0	0.1	140	103.3
	10.00 to <100.00														
	100.00 (Default)														
	Sub-total	**81,034**	**0.07**	**1,423**	**39.7**	**1.2**	**11,507**	**14.2**	**84,882**	**0.08**	**1,478**	**39.3**	**1.1**	**12,067**	**14.2**
A-IRB Corporates – SME	0.00 to <0.15	1,481	0.05	54	37.6	0.4	88	5.9	2,312	0.05	57	36.7	0.6	147	6.4
	0.15 to <0.25	328	0.23	68	35.0	0.9	57	17.3	355	0.23	78	34.2	1.0	64	17.9
	0.25 to <0.50	188	0.36	86	36.6	0.7	42	22.2	257	0.36	86	38.1	0.6	58	22.4
	0.50 to <0.75	273	0.55	69	16.4	1.6	44	16.0	354	0.55	89	20.5	1.4	71	20.0
	0.75 to <2.50	222	1.34	71	30.7	1.5	116	52.5	86	1.37	76	36.1	1.3	41	47.4
	2.50 to <10.00	10	4.16	76	32.9	1.1	6	60.5	102	3.83	74	40.1	1.4	99	96.8
	10.00 to <100.00	3	21.00	1	26.0	1.0	3	100.4	0	11.00	1	26.0	1.0	0	85.5
	100.00 (Default)														
	Sub-total	**2,504**	**0.31**	**425**	**34.2**	**0.7**	**355**	**14.2**	**3,465**	**0.29**	**461**	**35.0**	**0.8**	**479**	**13.8**
A-IRB Corporates – Other	0.00 to <0.15	68,246	0.05	473	26.6	1.3	6,102	8.9	68,430	0.05	502	26.7	1.3	6,110	8.9
	0.15 to <0.25	7,847	0.19	208	32.2	1.3	1,829	23.3	8,545	0.18	222	31.7	1.3	1,948	22.8
	0.25 to <0.50	2,946	0.40	132	31.0	2.0	1,234	41.9	4,611	0.39	142	26.2	1.6	1,527	33.1
	0.50 to <0.75	606	0.55	83	24.6	2.2	222	36.7	729	0.56	115	22.4	2.6	260	35.6
	0.75 to <2.50	980	1.22	74	34.5	1.4	643	65.6	753	1.18	100	31.0	1.5	439	58.4
	2.50 to <10.00	647	3.89	39	22.1	1.2	379	58.6	672	4.36	34	15.8	1.0	275	41.0
	10.00 to <100.00								6	11.00	1	31.0	1.0	8	133.4
	100.00 (Default)	69	100.00	2	15.5	0.2	134	194.0	5	100.00	1	0.0	0.1	0	0.0
	Sub-total	**81,342**	**0.21**	**1,011**	**27.3**	**1.3**	**10,544**	**13.0**	**83,752**	**0.14**	**1,117**	**27.1**	**1.3**	**10,567**	**12.6**
A-IRB Corporates – Specialised Lending	0.00 to <0.15	371	0.06	6	28.8	1.9	38	10.3	437	0.05	5	27.8	2.4	50	11.5
	0.15 to <0.25	21	0.17	4	28.9	1.0	4	17.8	28	0.20	6	24.7	1.2	5	18.0
	0.25 to <0.50	263	0.32	14	27.6	2.4	86	32.7	312	0.32	22	30.3	1.2	93	29.7
	0.50 to <0.75	1	0.54	10	23.2	4.8	0	51.1	11	0.54	13	25.0	5.0	6	56.5
	0.75 to <2.50	124	1.55	8	20.6	2.9	67	54.0	233	0.91	8	20.0	1.0	77	33.2
	2.50 to <10.00	0	2.69	1	26.0	5.0	0	95.4	1	2.69	1	31.0	5.0	1	113.8
	10.00 to <100.00														
	100.00 (Default)								5	100.00	1	26.0	2.8	18	325.0
	Sub-total	**779**	**0.39**	**43**	**27.1**	**2.2**	**195**	**25.1**	**1,027**	**0.87**	**56**	**26.7**	**1.7**	**250**	**24.4**
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														
	2.50 to <10.00	1	7.00	1	57.3	0.0	0	71.2	0	7.00	17	57.3		0	71.2
	10.00 to <100.00														
	100.00 (Default)														
	Sub-total	**1**	**7.00**	**1**	**57.3**	**0.0**	**0**	**71.2**	**0**	**7.00**	**17**	**57.3**		**0**	**71.2**
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	35	24.4	0.0	0	35.0	0	2.50	17	25.2		0	36.2
	10.00 to <100.00														
	100.00 (Default)														
	Sub-total	**0**	**2.50**	**35**	**24.4**	**0.0**	**0**	**35.0**	**0**	**2.50**	**17**	**25.2**		**0**	**36.2**

Table 23. 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 2022							30 Jun 2022						
	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
F-IRB Central governments and central banks	0.00 to <0.15	58,262		132	44.9	1.3	1,235	2.1	57,909	0.00	146	44.9	1.4	1,356	2.3
	0.15 to <0.25														0.0
	0.25 to <0.50														0.0
	0.50 to <0.75														0.0
	0.75 to <2.50														0.0
	2.50 to <10.00	17	6.00	1	45.0	2.5	28	169.2	8	6.00	1	45.0	2.5	13	169.2
	10.00 to <100.00														0.0
	100.00 (Default)														0.0
	Sub-total	**58,278**	**0.01**	**133**	**44.9**	**1.3**	**1,263**	**2.2**	**57,916**	**0.01**	**147**	**44.9**	**1.4**	**1,369**	**2.4**
F-IRB Institutions	0.00 to <0.15	2,653	0.03	60	3.0	2.5	45	1.7	3,891	0.03	72	2.0	2.5	38	1.0
	0.15 to <0.25	659	0.20	13	14.6	2.2	109	16.5	425	0.21	15	13.2	2.5	74	17.3
	0.25 to <0.50	7	0.37	5	24.7	1.7	2	34.2	11	0.41	4	25.1	1.7	4	34.4
	0.50 to <0.75								7	0.59	2	45.0	2.5	5	79.6
	0.75 to <2.50	43	1.36	6	41.3	2.4	53	122.5	50	1.37	5	43.7	2.5	63	127.3
	2.50 to <10.00														
	10.00 to <100.00														
	100.00 (Default)														
	Sub-total	**3,362**	**0.08**	**84**	**5.8**	**2.4**	**209**	**6.2**	**4,383**	**0.07**	**98**	**3.7**	**2.5**	**184**	**4.2**
F-IRB Corporates – SME	0.00 to <0.15	5	0.03	4	0.2	2.5	0	0.1							
	0.15 to <0.25	0	0.21	1		2.5			6	0.21	1		2.1		
	0.25 to <0.50								1	0.49	1		0.5		
	0.50 to <0.75								0	0.56	1	45.0	2.5	0	46.6
	0.75 to <2.50	29	1.52	54	36.8	2.2	17	60.1	37	1.45	57	36.3	2.1	21	57.3
	2.50 to <10.00														
	10.00 to <100.00														
	100.00 (Default)														
	Sub-total	**34**	**1.28**	**59**	**30.9**	**2.2**	**17**	**50.4**	**44**	**1.26**	**60**	**30.8**	**2.1**	**22**	**48.4**
F-IRB Corporates – Other	0.00 to <0.15	3,047	0.05	46	45.0	2.5	583	19.1	3,335	0.05	48	45.0	2.5	652	19.6
	0.15 to <0.25	624	0.17	46	45.0	2.5	275	44.1	1,006	0.16	46	45.0	2.5	429	42.7
	0.25 to <0.50	54	0.36	29	45.0	2.5	35	65.4	91	0.34	31	45.0	2.5	64	70.3
	0.50 to <0.75	30	0.60	12	45.0	2.5	24	79.2	37	0.60	12	45.0	2.5	29	78.6
	0.75 to <2.50	77	1.35	35	45.0	2.5	81	105.3	88	1.19	40	45.0	2.5	88	100.3
	2.50 to <10.00	3	7.74	3	45.0	2.5	5	185.5	1	3.26	2	45.0	2.5	1	124.2
	10.00 to <100.00														
	100.00 (Default)														
	Sub-total	**3,835**	**0.11**	**171**	**45.0**	**2.5**	**1,003**	**26.1**	**4,559**	**0.11**	**179**	**45.0**	**2.5**	**1,264**	**27.7**
F-IRB Corporates – Specialised Lending	0.00 to <0.15														
	0.15 to <0.25	2	0.15	1	45.0	2.5	1	39.7	7	0.15	1	45.0	2.5	2	31.2
	0.25 to <0.50	0	0.43	1	45.0	2.5	0	68.8	0	0.43	2	45.0	2.5	0	68.8
	0.50 to <0.75	9	0.54	1		2.5			15	0.54	2		2.5		
	0.75 to <2.50														
	2.50 to <10.00														
	10.00 to <100.00								3	25.00	1	45.0	2.5	7	261.4
	100.00 (Default)	1	100.00	1	45.0	2.5	0	0.0							
	Sub-total	**12**	**11.13**	**4**	**11.1**	**2.5**	**1**	**5.6**	**24**	**3.08**	**6**	**17.9**	**2.5**	**9**	**37.9**
TOTAL (all CCR relevant exposure classes)		**231,181**	**0.11**	**3,321**	**36.2**	**1.3**	**25,095**	**10.9**	**240,054**	**0.09**	**3,636**	**35.7**	**1.3**	**26,211**	**10.9**

COMMENT

- *The IRB approach is applied for the majority of SEB's counterparty credit risk exposures.*

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 463m[1)] for either a one- or 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.

1) Methodology for estimating the collateral outflow has been reviewed during 2022 resulting in lower expected collateral outflows.

Table 24. EU CCR5 – Composition of collateral for CCR exposures

SEK m	a	b	c	d	e	f	g	h
31 Dec 2022	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	26	10,935	0	14,007	187	2,717		312
2 Cash – other currencies	1,209	60,665	2	33,848	1,257	14,832		48,697
3 Domestic sovereign debt	3	9,116	2,729	574		66,891		74,619
4 Other sovereign debt	6,857	21,582	11,393	5,560		63,797		29,579
5 Government agency debt								
6 Corporate bonds		26				3,465		796
7 Equity securities	21,041	697	960		7,695	130,760		92,522
8 Other collateral	1,334	10,701	779	1,171		124,546		61,890
9 **TOTAL**	**30,470**	**113,722**	**15,865**	**55,160**	**9,139**	**407,007**		**308,415**

SEK m	a	b	c	d	e	f	g	h
30 Jun 2022	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	26	10,629		15,351	137	2,647		601
2 Cash – other currencies	618	79,557		47,448	3	19,772		43,656
3 Domestic sovereign debt	6	12,854	1,487	461		55,256		86,274
4 Other sovereign debt	7,384	26,883	8,405	3,109		65,246		31,676
5 Government agency debt								
6 Corporate bonds		334				3,514		796
7 Equity securities	12,033	897	1,364		8,190	115,861		80,505
8 Other collateral	1,854	22,612	943	468		92,048		66,647
9 **TOTAL**	**21,921**	**153,768**	**12,198**	**66,837**	**8,330**	**354,343**		**310,154**

COMMENT

- *Comparing with 30 June 2022, the total value of collateral used in CCR exposures related to derivative transactions and SFTs has increased by SEK 12bn.*

Table 25. EU CCR6 – Credit derivatives exposures

SEK m	a	b	a	b
	31 Dec 2022		30 Jun 2022	
Collateral type	Protection bought	Protection sold	Protection bought	Protection sold
Notionals				
1 Single-name credit default swaps	599	660	643	728
2 Index credit default swaps	398	132	1,040	399
3 Total return swaps				
4 Credit options				
5 Other credit derivatives				
6 **Total notionals**	**996**	**792**	**1,683**	**1,127**
Fair values				
7 *Positive fair value (asset)*	*35*	*16*	*101*	*1*
8 *Negative fair value (liability)*	*–13*	*–8*	*–69*	*–37*

COMMENT
- *The notional amount of bought and sold credit derivatives have decreased, primarily driven by decrease in index credit default swaps.*

Table 26. EU CCR8 – Exposures to CCPs

SEK m	a	b	a	b
	31 Dec 2022		30 Jun 2022	
	Exposure value	RWEA	Exposure value	RWEA
1 **Exposures to QCCPs (total)**		**645**		**968**
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	16,829	337	12,846	266
3 (i) OTC derivatives	12,213	244	821	16
4 (ii) Exchange-traded derivatives	4,616	92	11,822	236
5 (iii) SFTs	0	0	203	13
6 (iv) Netting sets where cross-product netting has been approved				
7 Segregated initial margin	7,845		3,827	
8 Non-segregated initial margin	5,044	101	10,596	212
9 Prefunded default fund contributions	3,790	207	5,900	490
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				

COMMENT
- *Since 30 June 2022, exposure towards QCCPs increased by SEK 4bn and RWEA decreased by SEK 323m. Increase in exposure is primarily driven by higher margin requirements for OTC derivative transactions.*

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

SEK m	31 Dec 2022			30 Jun 2022		
	Institution acts as investor			Institution acts as investor		
	Traditional			Traditional		
	STS	Non-STS	Sub-total	STS	Non-STS	Sub-total
Total exposures	**8,271**	**3,778**	**12,049**	**7,446**	**4,151**	**11,597**
Retail (total)		3,275	3,275		3,259	3,259
of which other retail exposures		*3,275*	*3,275*		*3,259*	*3,259*
Wholesale (total)	8,271	503	8,774	7,446	892	8,339
of which lease and receivables	*8,271*	*503*	*8,774*	*7,446*	*892*	*8,339*

COMMENT

- *SEB's securitisation exposure increased SEK 0.5bn compared to 30 June 2022, and amounted to SEK 12.0bn as of 31 December 2022, of which the majority was AAA-rated exposures. SEB only acts as investor.*

Table 28. 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 2022				<20	20–50	50–100	Securitisation – SEC ERBA	Securitisation – SEC ERBA	Securitisation – SEC ERBA
Total exposures				**10,140**	**1,458**	**451**	**12,049**	**2,036**	**163**
Traditional securitisations	Securitisation	Retail (total)	Non-STS	2,825		450	3,275	815	65
		Wholesale (total)	Non-STS	502		1	503	76	6
			STS	6,813	1,458		8,271	1,145	92

SEK m				Exposure values (by RW bands/deductions)			Exposure values (by regulatory approach)	RWEA (by regulatory approach)	Capital charge after cap
30 Jun 2022				<20	20–50	50–100	Securitisation – SEC ERBA	Securitisation – SEC ERBA	Securitisation – SEC ERBA
Total exposures				**9,812**	**1,336**	**449**	**11,597**	**1,979**	**158**
Traditional securitisations	Securitisation	Retail (total)	Non-STS	2,811		448	3,259	810	65
		Wholesale (total)	Non-STS	891		1	892	134	11
			STS	6,110	1,336		7,446	1,035	83

COMMENT

- *SEB's securitisation exposure increased SEK 0.5bn compared to 30 June 2022, and amounted to SEK 12.0bn as of 31 December 2022, of which the majority was AAA-rated exposures.*

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 interest rate repricing mismatches between assets and liabilities. 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 internally. The Board of Directors has decided on a number of key risk measures to limit the total market risk exposure: Value-at-Risk

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 sensitivities 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.

(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 is ongoing 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.

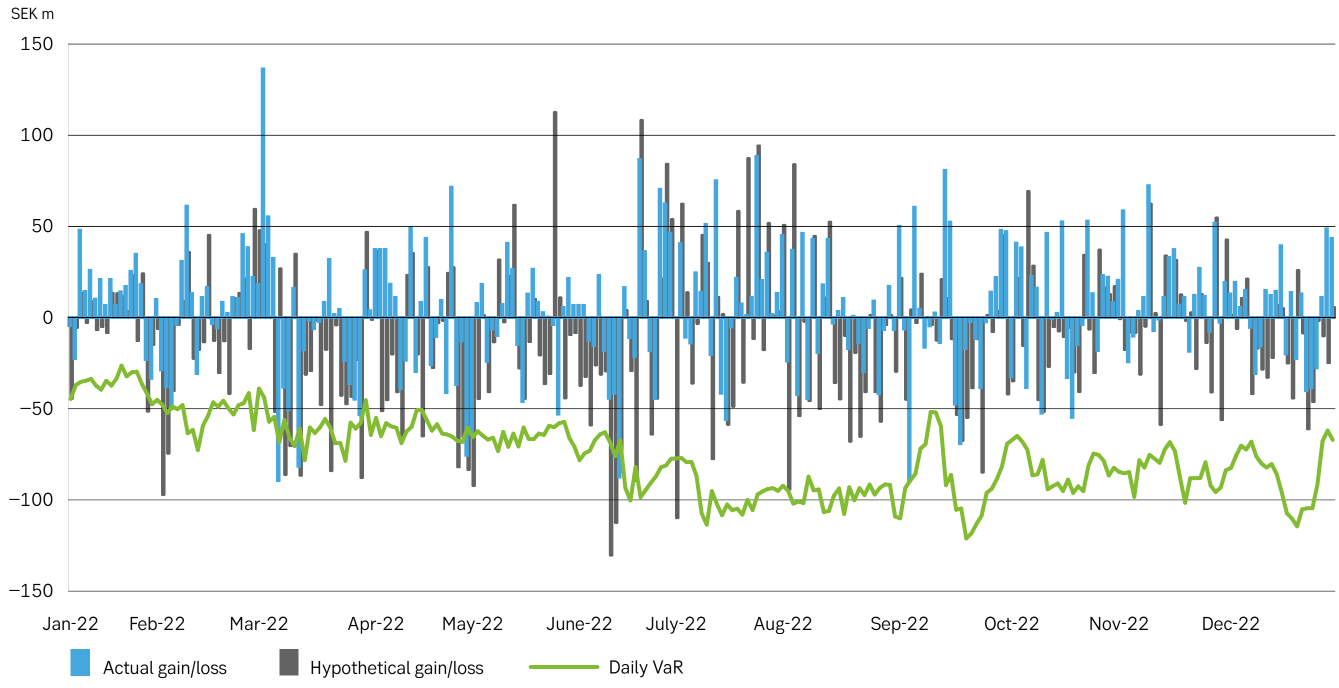
A limitation of the VaR model is that it uses historical data to estimate potential market changes. As such, it may not predict all outcomes, especially in a rapidly changing market. Also, VaR does not take into account any risk mitigating actions as the model assumes that the portfolio is unchanged.

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 and hypothetical 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 29. **EU MR4 – Comparison of VaR estimates with gains/losses**



COMMENT

- *Due to higher market volatility, the number of theoretical back-testing breaches increased which resulted in the capital multiplier reaching its maximum level.*

Table 30. 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 2022	Average 2022	Average 2021	Min	Max	31 Dec 2022	Average 2022	Average 2021
Commodities risk	28	162	60	67	57	28	170	88	70	70
Credit spread risk	22	93	70	72	55	99	285	119	183	341
Equity risk	7	92	20	20	25	16	239	49	58	82
Foreign exchange risk	15	832	567	290	27	42	970	450	321	70
Interest rate risk	66	340	187	199	104	279	602	320	432	568
Volatilities risk	8	92	28	37	14	19	136	45	75	33
Diversification			−332	−292	−143			−490	−551	−607
TOTAL	**86**	**830**	**599**	**392**	**139**	**359**	**1,012**	**581**	**588**	**556**

COMMENT

- *In 2022, the 10-day VaR in SEB's trading-related activities averaged SEK 392m, compared to SEK 139m in 2021. The increased VaR is explained by elevated market volatility and inclusion of structural FX risk. Note that this table contains the approved IMA calculations and additional IMA components that are pending regulatory approval.*

Table 31. Banking book VaR

SEK m	Value at Risk (99 per cent, ten days)				
	Min	Max	31 Dec 2022	Average 2022	Average 2021
Credit spread risk	17	182	151	121	47
Equity price risk	28	54	31	35	45
Foreign exchange rate risk	0	8	6	1	8
Interest rate risk	113	820	699	547	117
Diversification			−187	−153	−54
TOTAL	**113**	**871**	**700**	**551**	**163**

COMMENT

- *The average banking book VaR increased from SEK 163m in 2021 to SEK 551m in 2022. The increase is mainly explained by elevated market volatility, especially related to the rapidly rising interest rates.*

Table 32. 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 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022
1 Parallel up	−3,341	−2,891	−9,982	−6,685
2 Parallel down	1,523	839	1,090	1,863
3 Steepener	769	397		
4 Flattener	−2,258	−1,559		
5 Short rates up	−3,301	−2,662		
6 Short rates down	1,674	564		

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 the 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. Negative (positive) NII outcome in the parallel up (down) scenario is explained by assuming a conservative three month interest rate duration of core non-maturing non-financial deposits.*

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 in table 33.

Table 33. EU MR1 – Market risk under the standardised approach

SEK m		a	a
		31 Dec 2022	30 Jun 2022
		RWEAs	RWEAs
	Outright products		
1	Interest rate risk (general and specific)	6,694	8,354
2	Equity risk (general and specific)	558	977
3	Foreign exchange risk		
4	Commodity risk		
	Options		
5	Simplified approach		
6	Delta-plus method		
7	Scenario approach		
8	Securitisation (specific risk)		
9	**TOTAL**	**7,251**	**9,331**

COMMENT

- *Reduced positioning resulting in lower RWEAs in December 2022 compared to June 2022.*

Table 34. EU MR2-A – Market risk under the Internal Model Approach (IMA)

SEK m		a	b	a	b
		31 Dec 2022		30 Jun 2022	
		RWEAs	Own funds requirements	RWEAs	Own funds requirements
1	**VaR** (higher of values a and b)	**14,209**	**1,137**	**11,381**	**910**
(a)	Previous day's VaR (VaRt-1)		212		245
(b)	Multiplication factor (mc) x average of previous 60 working days (VaRavg)		1,137		910
2	**SVaR** (higher of values a and b)	**25,668**	**2,053**	**25,507**	**2,041**
(a)	Latest available SVaR (SVaRt-1))		396		442
(b)	Multiplication factor (ms) x average of previous 60 working days (sVaRavg)		2,053		2,041
	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**	**39,876**	**3,190**	**36,888**	**2,951**

COMMENT

- *A volatile third quarter increased the VaR and SVaR in December 2022 despite reduced exposure.*

Table 35. EU MR3 – IMA values for trading portfolios

SEK m	a	a
	31 Dec 2022	30 Jun 2022
VaR (10 day 99%)		
1 Maximum value	383	317
2 Average value	236	186
3 Minimum value	83	83
4 Period end	212	245
SVaR (10 day 99%)		
5 Maximum value	676	619
6 Average value	505	496
7 Minimum value	353	363
8 Period end	396	442
IRC (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		

COMMENT

- *Despite the fact that VaR and SVaR at the end of December 2022 has decreased compared to end of June 2022, volatility during the year (Q3 in particular), has lead to increase to maximum and averages.*

Table 36. EU PV1 – Prudent valuation adjustments (PVA)

SEK m

31 Dec 2022	a	b	c	d	e	EU e1	EU e2	f	g	h
	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	808	241		6				527	*110*	*417*
2 Not applicable										
3 Close-out cost	34	398	42	76	79			629	*576*	*53*
4 Concentrated positions	5	8						13	*7*	*6*
5 Early termination									*0*	
6 Model risk	1	6		219				113	*112*	*1*
7 Operational risk										
8 Not applicable										
9 Not applicable										
10 Future administrative costs		49						49	*49*	
11 Not applicable										
12 Total Additional Valuation Adjustments (AVAs)								**1,331**	***854***	***477***

SEK m

31 Dec 2021	a	b	c	d	e	EU e1	EU e2	f	g	h
	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

- *The total prudent valuation capital reserve of SEB Group increased from SEK 1,133m to SEK 1,331m during 2022, with a notable upturn in valuation uncertainty in the first quarter following the outbreak of the Russia–Ukraine war, where market activity decreased and liquidity conditions worsened. The capital reserve remained elevated throughout most of the year as market volatility and uncertainty continued, however turning down at the year-end due to somewhat stabilised markets as well as balance sheet management. The majority of the increase in AVA was seen within the trading book, generally due to widened spreads and uncertainty across markets, whereas AVA for banking book decreased somewhat following divestments and lower valuations.*

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 risk, compliance risk, legal and financial reporting risks, risks related to information-, cyber- and physical security, and venture execution risks. The definition excludes strategic and reputational risk.

Risk management

SEB has a regulatory approval to use the Advanced Measurement Approach (AMA) to calculate the capital requirement for operational risk.

Operational risk, in SEB referred to as non-financial risk, is inherent in all of SEB's operations. 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 (NFR) 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.

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, SEB's Board of Directors has defined the overall aim and principles for identification, management, monitoring and reporting of operational risk. These documents are supplemented by additional instructions and guidelines.

As the first line of defence, 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 defence 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 "always verify" 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.

One of the most fundamental parts of successfully protecting SEB's intellectual property, customer data and other sensitive information is to foster a sound risk culture throughout the bank 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 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. In 2023, SEB will build an IT application to support model risk management.

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) company has been established, Invidem AB, together with five other Nordic banks. In addition, SAMLIT – the Swedish AML Intelligence Task Force – has been set up. The aim of the company is to increase the information sharing between the Swedish Police Authority and large Swedish banks and to set a standard for collecting KYC information.

→ 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 model 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. The standardised approach is expected to come into force in the EU on 1 January 2025.

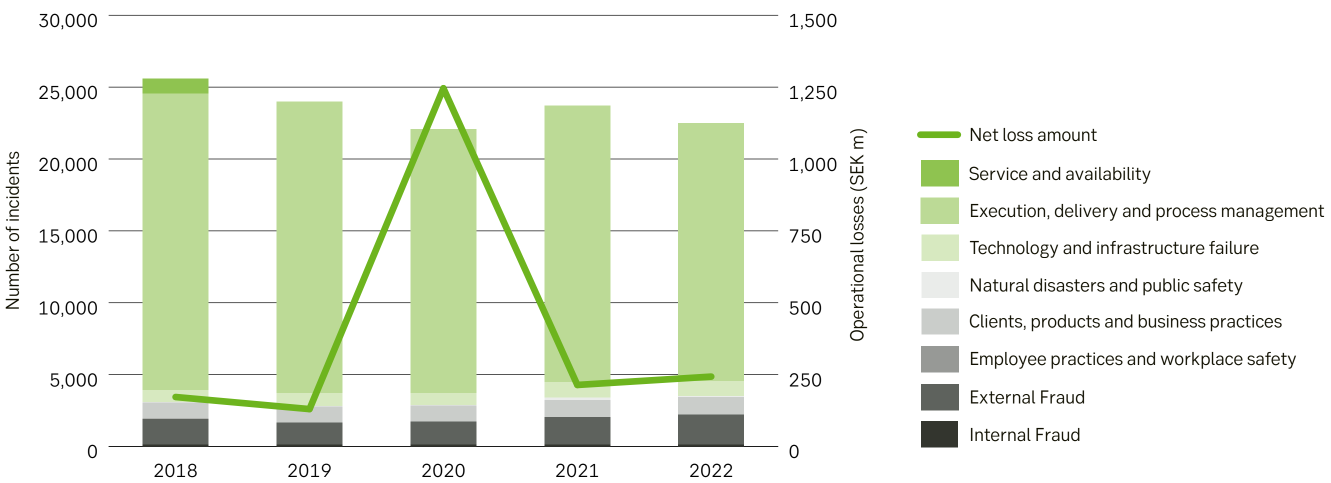
Table 38. EU OR1 – Operational risk own funds requirements and risk-weighted exposure amounts

SEK m	a	b	c	d	e
31 Dec 2022	Relevant indicator				
Banking activities	Year-3	Year-2	Last year	Own funds requirements	Risk weighted exposure amount
Banking activities subject to advanced measurement approaches AMA	46,830	46,629	50,695	4,036	50,452
	a	b	c	d	e
31 Dec 2021	Relevant indicator				
Banking activities	Year-3	Year-2	Last year	Own funds requirements	Risk weighted exposure amount
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 2022.*

Table 37. Operational risk incidents registered and analysed



COMMENT

- *2022 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 237m (219). Net losses in 2020 include an administrative fine from the Swedish FSA.*

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 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 increase. The treasury function has the overall responsibility for liquidity management and funding strategy and is supported by local treasury centres 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 several targets that SEB strives to meet, including a diversified funding base, wholesale funding maturities that are well distributed over time, sufficient over-collateralisation 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 can 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 695bn (672) at year-end 2022.

→ 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, considering that effective liquidity management is an ongoing improvement process.

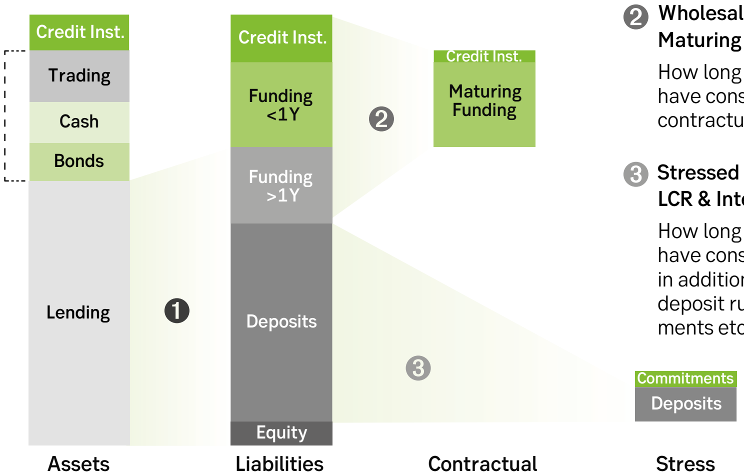
Measurement of liquidity risk

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

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

Balance sheet structure illustrative



1 **Structural liquidity risk**
NSFR & Core Gap
How large should the gap between stable funding and illiquid assets be?

2 **Wholesale funding dependence**
Maturing funding ratio & Loan/deposit ratio
How long survival horizon should the bank have considering only interbank and contractual wholesale funding runoffs?

3 **Stressed survival horizon**
LCR & Internal Stress test
How long survival horizon should the bank have considering a full stress scenario where in addition to wholesale funding shutdown, deposit runoffs and drawdowns on commitments etc. can be expected?

ble stable funding is put in relation to the amount of required stable funding. At year-end 2022, the NSFR ratio was 109 per cent (111).

Wholesale funding dependence

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

Wholesale funding dependence is also measured as the loan to deposit ratio, excluding repos and reclassified debt securities. At year-end 2022, SEB's loan to deposit ratio amounted to 116 per cent (111).

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. The LCR requirement for total currencies, EUR and USD is 100 per cent while for SEK and other significant currencies the requirement is 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 to discover potential mismatches and dependencies towards the FX-swap market. In addition, SEB monitors various rating agencies' survival metrics.

Table 39. 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 2022**	**30 Sep 2022**	**30 Jun 2022**	**31 Mar 2022**	**31 Dec 2022**	**30 Sep 2022**	**30 Jun 2022**	**31 Mar 2022**
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					1,067	1017	949	910
Cash – Outflows									
2	Retail deposits and deposits from small business customers, of which:	551	543	533	517	42	41	40	39
3	*Stable deposits*	*354*	*349*	*344*	*337*	*18*	*17*	*17*	*17*
4	*Less stable deposits*	*198*	*195*	*189*	*180*	*24*	*24*	*23*	*22*
5	*Unsecured wholesale funding*	*1,479*	*1,433*	*1,362*	*1,303*	*796*	*758*	*704*	*669*
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*[1)]	*751*	*746*	*732*	*710*	*183*	*181*	*178*	*173*
7	*Non-operational deposits (all counterparties)*[1)]	*648*	*615*	*563*	*524*	*533*	*504*	*460*	*427*
8	*Unsecured debt*	*80*	*73*	*67*	*69*	*80*	*73*	*67*	*69*
9	*Secured wholesale funding*					*121*	*112*	*97*	*88*
10	*Additional requirements*	*707*	*685*	*664*	*644*	*132*	*120*	*109*	*101*
11	*Outflows related to derivative exposures and other collateral requirements*	*68*	*60*	*50*	*45*	*50*	*41*	*32*	*27*
12	*Outflows related to loss of funding on debt products*								
13	*Credit and liquidity facilities*	*640*	*625*	*614*	*599*	*82*	*79*	*77*	*74*
14	Other contractual funding obligations	68	72	72	71	38	39	35	32
15	Other contingent funding obligations	230	228	223	218	12	12	12	12
16	**Total cash outflows**					**1,142**	**1,083**	**997**	**941**
Cash – Inflows									
17	Secured lending (e.g. reverse repos)	419	390	361	339	129	118	107	99
18	Inflows from fully performing exposures	142	133	127	119	110	104	99	92
19	Other cash inflows	47	46	40	35	47	46	40	35
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**	**608**	**570**	**528**	**493**	**286**	**269**	**246**	**227**
EU-20a	*Fully exempt inflows*								
EU-20b	*Inflows subject to 90% cap*								
EU-20c	*Inflows subject to 75% cap*	*425*	*396*	*370*	*352*	*286*	*269*	*246*	*227*
TOTAL ADJUSTED VALUE									
21	**Liquidity buffer**					**1,067**	**1,017**	**949**	**910**
22	**Total net cash outflows**					**856**	**814**	**751**	**714**
23	**Liquidity coverage ratio**					**126%**	**126%**	**127%**	**128%**

1) Remapping of deposits between reporting categories.

Qualitative information on LCR

SEB shall always 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 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 always 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 always monitored.

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 40. EU LIQ2 – Net Stable Funding Ratio

SEK m		a	b	c	d	e
		Unweighted value by residual maturity				
31 Dec 2022		No maturity	<6 months	6 months to <1yr	≥1yr	Weighted value
Available stable funding (ASF) Items						
1	**Capital items and instruments**	**204,003**		**9,221**	**6,607**	**215,220**
2	*Own funds*	*204,003*		*9,221*	*6,607*	*215,220*
3	*Other capital instruments*					
4	**Retail deposits**		**555,786**			**518,149**
5	*Stable deposits*		*358,842*			*340,900*
6	*Less stable deposits*		*196,944*			*177,249*
7	**Wholesale funding:**		**1,230,763**	**9,889**	**11,337**	**493,930**
8	*Operational deposits*		*718,493*			*359,247*
9	*Other wholesale funding*		*512,269*	*9,889*	*11,337*	*134,683*
10	Interdependent liabilities					
11	**Other liabilities:**	**170,135**	**375,084**	**132,939**	**355,942**	**415,105**
12	*NSFR derivative liabilities*	*170,135*				
13	*All other liabilities and capital instruments not included in the above categories*		*375,084*	*132,939*	*355,942*	*415,105*
14	**Total available stable funding (ASF)**					**1,642,404**
Required stable funding (RSF) Items						
15	**Total high-quality liquid assets (HQLA)**					**7,600**
EU-15a	**Assets encumbered for more than 12m in cover pool**				**210,262**	**178,722**
16	Deposits held at other financial institutions for operational purposes					
17	**Performing loans and securities:**		**618,824**	**202,063**	**1,171,979**	**1,151,042**
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		*20,497*			
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		*275,552*	*15,265*	*45,998*	*71,757*
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		*231,719*	*165,626*	*638,329*	*720,709*
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*16,919*	*44,150*	*102,717*	*97,300*
22	*Performing residential mortgages, of which:*		*15,843*	*14,881*	*426,046*	*292,292*
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*15,843*	*14,881*	*426,046*	*292,292*
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*		*75,212*	*6,291*	*61,605*	*66,285*
25	**Interdependent assets**					
26	**Other assets:**		**237,012**	**743**	**67,417**	**113,684**
27	*Physical traded commodities*				*2,100*	*1,785*
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		*35,637*			*30,291*
29	*NSFR derivative assets*					
30	*NSFR derivative liabilities before deduction of variation margin posted*		*170,135*			*8,507*
31	*All other assets not included in the above categories*		*31,240*	*743*	*65,317*	*73,101*
32	**Off-balance sheet items**		**260,434**	**87,783**	**567,958**	**52,537**
33	**Total required stable funding (RSF)**					**1,503,584**
34	**Net Stable Funding Ratio (%)**					**109%**

Table 40. **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 2022		No maturity	<6 months	6 months to <1yr	≥1yr	Weighted value
Available stable funding (ASF) Items						
1	**Capital items and instruments**	**200,803**			**15,238**	**216,042**
2	*Own funds*	*200,803*			*15,238*	*216,042*
3	*Other capital instruments*					
4	**Retail deposits**		**562,002**			**523,803**
5	*Stable deposits*		*360,032*			*342,031*
6	*Less stable deposits*		*201,970*			*181,773*
7	**Wholesale funding:**		**1,720,354**	**5,511**	**15,000**	**534,556**
8	*Operational deposits*		*752,516*			*376,258*
9	*Other wholesale funding*		*967,837*	*5,511*	*15,000*	*158,298*
10	Interdependent liabilities					
11	**Other liabilities:**	**175,620**	**453,635**	**63,865**	**391,088**	**392,860**
12	*NSFR derivative liabilities*	*175,620*				
13	*All other liabilities and capital instruments not included in the above categories*		*453,635*	*63,865*	*391,088*	*392,860*
14	**Total available stable funding (ASF)**					**1,667,260**
Required stable funding (RSF) Items						
15	**Total high-quality liquid assets (HQLA)**					**7,632**
EU-15a	**Assets encumbered for more than 12m in cover pool**				**243,702**	**207,147**
16	Deposits held at other financial institutions for operational purposes					
17	**Performing loans and securities:**		**577,296**	**207,236**	**1,154,354**	**1,123,947**
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		*35,598*			
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		*256,084*	*23,775*	*46,060*	*74,435*
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		*189,446*	*163,501*	*632,292*	*692,339*
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*13,846*	*43,415*	*107,912*	*98,773*
22	*Performing residential mortgages, of which:*		*14,448*	*14,639*	*389,482*	*267,707*
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*14,448*	*14,639*	*389,482*	*267,707*
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*		*81,720*	*5,321*	*86,520*	*89,465*
25	**Interdependent assets**					
26	**Other assets:**		**259,941**	**2,417**	**73,722**	**122,713**
27	*Physical traded commodities*				*6,447*	*5,480*
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		*37,225*			*31,641*
29	*NSFR derivative assets*					
30	*NSFR derivative liabilities before deduction of variation margin posted*		*175,620*			*8,781*
31	*All other assets not included in the above categories*		*47,096*	*2,417*	*67,275*	*76,811*
32	**Off-balance sheet items**		**243,273**	**90,480**	**526,369**	**49,135**
33	**Total required stable funding (RSF)**					**1,510,574**
34	**Net Stable Funding Ratio (%)**					**110%**

COMMENT

- *NSFR was stable in the last six months, comparing 31 December 2022 with 30 June 2022. It decreased marginally by 1 percentage point, from 110 per cent to 109 per cent. During the period, corporate lending increased which contributed to an increase in required stable funding. Trading activities contributed to a decrease in required stable funding while a decrease in deposits – from a previously elevated level in June due to event-driven client activity – decreased available stable funding.*

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.

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.

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 below tables, 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 on the other hand, 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 41. 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 2022		*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	**473,867**	***46,119***			**3,062,549**	***1,028,375***		
Equity instruments	19,947		19,947		42,665		42,391	
Debt securities	48,540	*45,990*	48,540	*45,990*	271,959	*244,231*	271,508	*244,231*
of which: covered bonds	*23,621*	*21,065*	*23,621*	*21,065*	*53,606*	*46,503*	*53,606*	*46,503*
of which: asset-backed securities					*8,558*	*6,463*	*8,558*	*6,463*
of which: issued by general governments	*13,937*	*13,937*	*13,937*	*13,937*	*42,982*	*31,990*	*43,076*	*31,990*
of which: issued by financial corporations	*30,038*	*27,488*	*30,038*	*27,488*	*115,888*	*106,601*	*115,913*	*106,601*
of which: issued by non-financial corporations					*9,768*	*475*	*9,768*	*475*
Other assets	392,330	*130*			2,736,546	*821,037*		
of which: mortgage loans	*320,849*				*754,062*			
of which: loans and advances other than loans on demand and mortgage loans	*1,261*				*1,057,935*	*623*		

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*		

Table 42. 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 2022		*of which notionally elligible EHQLA and HQLA*		*of which EHQLA and HQLA*
Collateral received by the reporting institution	**231,870**	***119,015***	**111,948**	***84,266***
Loans on demand				
Equity instruments	107,693		14,273	
Debt securities	119,866	*119,015*	96,340	*84,266*
of which: covered bonds	*36,606*	*36,002*	*49,475*	*41,544*
of which: asset-backed securities				
of which: issued by general governments	*78,824*	*78,824*	*42,787*	*42,553*
of which: issued by financial corporations	*44,285*	*43,690*	*52,202*	*42,158*
of which: issued by non-financial corporations	*23*	*0*	*1,172*	*220*
Loans and advances other than loans on demand				
Other collateral received				
Own debt securities issued other than own covered bonds or asset-backed securities			**10**	
Own covered bonds and asset-backed securities issued and not yet pledged				
TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED	**690,931**	***169,059***		

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***		

Table 43. EU AE3 – Sources of encumbrance

SEK m	31 Dec 2022		31 Dec 2021	
	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	**606,636**	**690,931**	**547,775**	**602,597**
of which: derivatives	*95,978*	*135,250*	*43,362*	*81,920*
of which: repos	*27,256*	*27,256*	*37,386*	*37,386*
of which: securites financing	*32,057*	*36,662*	*37,987*	*43,991*
of which: covered bonds	*314,385*	*320,683*	*326,841*	*333,387*
of which: collateral management	*123,714*	*138,141*	*81,130*	*86,482*
of which: collateralised deposits other than repurchase agreements	*31,439*	*35,917*	*32,182*	*36,172*
of which: other		*2,111*		*1,996*

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 earnings due to reduced volumes, price pressure or competition. 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 that can adversely affect SEB's ability to maintain existing, or establish new, business relationships or funding.

External developments are drivers of the above defined risks. Some examples are digitalization, regulatory developments and sustainability requirements. SEB continuously works to mitigate business, strategic and reputational risks, for example through strategic business planning and business reviews, proactive cost management, an agile IT development approach, and an ambitious corporate sustainability agenda.

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 of 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. CET 1 capital requirements consist of four main parts:

1. A Pillar 1 minimum requirements of 4.5 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, pension risk and the risk weight floor for exposures to the Swedish commercial real estate sector. According to the 2022 SREP decision, the CET1 capital requirement for P2R risk was 1.4 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 3.1 per cent and the countercyclical buffer. On 29 September 2022, the countercyclical buffer rate for Swedish exposures was raised to 1.0 per cent. Furthermore, the Swedish FSA decided to raise the countercyclical buffer to 2.0 per cent, which is the neutral level of the buffer. The decision will enter into force on 22 June 2023.

Through the Pillar 2 Guidance (P2G), the Swedish FSA 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 1.0 per cent of REA for SEB compared with 1.5 per cent in the corresponding decision in the previous year. SEB's applicable CET1 capital requirement and P2G as at year-end was approximately 14.2 per cent (13.8).

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 (5.0). The components of the risk-based capital requirements for SEB as at year-end 2022 are illustrated in the table below.

Table 44. Regulatory capital requirement

SEB Consolidated situation – Prudential requirement (explicit or implicit) Dec 2022[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	0.7%	0.0%	0.2%	0.9%
Credit concentration risk	0.3%	0.1%	0.1%	0.5%
Interest rate risk in the banking book	0.4%	0.1%	0.2%	0.6%
Pension risk	0.0%	0.0%	0.0%	0.0%
Total Pillar 2 requirement	**1.4%**	**0.2%**	**0.5%**	**2.0%**
Total SREP capital requirement (TSCR)	**5.9%**	**1.7%**	**2.5%**	**10.0%**
Institution specific buffer requirement				
Capital conservation buffer	2.5%			2.5%
Systemic risk buffer	3.1%			3.1%
Other Systemically Important Institution buffer (O-SII)	1.0%			1.0%
Countercyclical capital buffer	0.8%			0.8%
Combined buffer requirement (CBR)	**7.4%**			**7.4%**
Overall capital requirement (TSCR+CBR)	**13.2%**	**1.7%**	**2.5%**	**17.4%**
Pillar 2 Guidance (P2G)	**1.0%**			**1.0%**
Overall capital requirement and P2G	**14.2%**	**1.7%**	**2.5%**	**18.4%**

1) According to 2022 SREP decision.

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 19.0 per cent as at year-end 2022, the buffer is 470 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.

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.

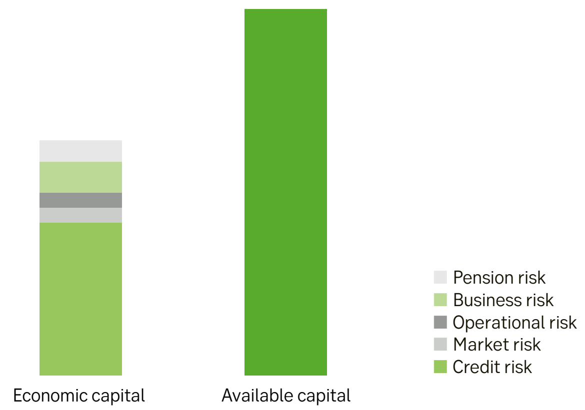
Market risk SEB uses both historical and forward-looking scenarios to stress test its portfolios. The scenarios are reviewed regularly and are part of SEB's market risk tolerance framework. The stress tests cover the main risk factors relevant to SEB's portfolios.

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.

Table 45. Economic capital for the consolidated situation

Economic capital including diversification effects



COMMENT

- *The economic capital or internally assessed capital requirement for the consolidated situation amounted to SEK 87bn (83).*
- *The available capital to cover for the economic capital amounted to SEK 170bn (159), which shows that SEB is well capitalised in relation to its risks.*

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.

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 financial crisis in 2008) 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.

Own funds and capital requirements

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) with the objective of the framework is to reduce excessive variability of risk-weighted assets (RWA) among banks. For that purpose, the Committee proposed an output floor implying that RWA calculated by applying internal models cannot in aggregate fall below 72.5 per cent of RWA calculated by the standardised approaches. Compared to the original Basel standard the proposal includes some improvements in relation to the output floor, making the rules more suitable for the European banking sector.

In 2021, the European Commission released a proposal for the implementation of Basel IV into EU legislation. The new rules are proposed to be implemented by 1 January 2025 with a five-year gradual phase-in of the output floor of 72.5 per cent until 1 January 2030.

The removal of the internal model for operational risk, restrictions on the use of internal models for credit risk and changed methods for market risk are expected requirement changes.

Table 46. EU OV1 – Overview of risk weighted exposure amounts

SEK m

		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		31 Dec 2022	**30 Sep 2022**	**31 Dec 2022**
1	Credit risk (excluding CCR)	609,392	612,113	48,751
2	*Of which the standardised approach*	*74,996*	*83,386*	*6,000*
3	*Of which the Foundation IRB (F-IRB) approach*	*188,905*	*182,692*	*15,112*
5	*Of which the Advanced IRB (A-IRB) approach*	*345,491*	*346,035*	*27,639*
6	Counterparty credit risk – CCR	38,470	45,125	3,078
7	*Of which the standardised approach*	*3,672*	*4,772*	*294*
8	*Of which internal model method (IMM)*	*16,246*	*20,668*	*1,300*
EU-8a	*Of which exposures to a CCP*	*645*	*863*	*52*
EU-8b	*Of which credit valuation adjustment – CVA*	*12,309*	*13,396*	*985*
9	*Of which other CCR*	*5,599*	*5,427*	*448*
15	Settlement risk	0	33	0
16	*Securitisation exposures in the non-trading book (after the cap)*	*2,036*	*2,101*	*163*
18	*Of which SEC-ERBA (including IAA)*	*2,036*	*2,101*	*163*
20	Position, foreign exchange and commodities risks (Market risk)	47,128	59,014	3,770
21	*Of which the standardised approach*	*7,251*	*14,774*	*580*
22	*Of which IMA*	*39,876*	*44,240*	*3,190*
EU-22a	Large exposures			
23	Operational risk	50,452	50,403	4,036
EU-23c	*Of which advanced measurement approach*	*50,452*	*50,403*	*4,036*
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	25,607	25,909	2,049
	Additional risk exposure amount due to Article 458 CRR	111,841	112,799	8,947
29	**TOTAL**	**859,320**	**881,588**	**68,746**

Table 47. 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**	**528,726**
2	Asset size (+/–)	9,783
3	Asset quality (+/–)	–6,204
4	Model updates (+/–)	
5	Methodology and policy (+/–)	
6	Acquisitions and disposals (+/–)	
7	Foreign exchange movements (+/–)	2,091
8	Other (+/–)	
9	**Risk weighted exposure amount as at the end of the reporting period**	**534,395**

COMMENT

- *REA for credit risk under the IRB approach increased by approximately SEK 5.7bn compared to 30 September 2022. The main contributor being increased asset size, but was mitigated by an improvement in asset quality. Foreign exchange movements amounted to SEK +2.1bn.*

Table 48. 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**	**20,687**
2	Asset size	–4,209
3	Credit quality of counterparties	11
4	Model updates (IMM only)	
5	Methodology and policy (IMM only)	
6	Acquisitions and disposals	
7	Foreign exchange movements	–225
8	Other	
9	**Risk weighted exposure amount as at the end of the reporting period**	**16,265**

COMMENT

- *REA for counterparty credit risk under the IMM decreased by approximately SEK 4.4bn compared to 30 September 2022, mainly due to decreased asset size.*

Table 49. EU MR2-B – RWEA flow statements of market risk exposures under the IMA

SEK m		a	b	f	g
		VaR	SVaR	Total RWEAs	Total own funds requirements
1	**Risk weighted exposure amount as at the end of the previous quarter**	**15,828**	**28,413**	**44,240**	**3,539**
1a	*Regulatory adjustment*	*–13,091*	*–21,340*	*–34,431*	*–2,754*
1b	*RWAs at the previous quarter-end (end of the day)*	*2,737*	*7,073*	*9,809*	*785*
2	Movement in risk levels	–163	–2,121	–2,284	–183
3	Model updates/changes	–11		–11	–1
4	Methodology and policy				
5	Acquisitions and disposals				
6	Foreign exchange movements				
7	Other	87	2	89	7
8a	*RWAs at the end of the reporting period (end of the day)*	*2,650*	*4,954*	*7,603*	*608*
8b	*Regulatory adjustment*	*11,559*	*20,714*	*32,273*	*2,582*
8	**Risk weighted exposure amount as at the end of the reporting period**	**14,209**	**25,668**	**39,876**	**3,190**

COMMENT

- *Market risk REA decreased by SEK 4.4bn compared to 30 September 2022 due to a combination of changed positioning and higher volatility resulting in an overall reduction in both VaR and SVaR during the fourth quarter. However, overall market risk REA increased by SEK 13.1bn between the end of 2021 and the end of 2022 mainly due to increased market volatility.*

Table 50. EU CC1 – Composition of regulatory own funds

SEK m		a	a	b
		31 Dec 2022	30 Jun 2022	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	26(1), 27, 28, 29, EBA list 26 (3)
	of which: Instrument type 1			*EBA list 26(3)*
	of which: Instrument type 2			*EBA list 26(3)*
	of which: Instrument type 3			*EBA list 26(3)*
2	Retained earnings	103,292	102,889	26 (1) (c)
3	Accumulated other comprehensive income (and other reserves)	54,913	58,282	26 (1)
EU-3a	Funds for general banking risk			26 (1) (f)
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1			486 (2)
5	Minority interests (amount allowed in consolidated CET1)			84
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	12,723	6,237	26 (2)
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**192,870**	**189,349**	
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments (negative amount)	−1,331	−1,521	34, 105
8	Intangible assets (net of related tax liability) (negative amount)	−5,544	−5,378	36 (1) (b), 37
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)	−17	−8	36 (1) (c), 38
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	−62	−36	33 (1) (a)
12	Negative amounts resulting from the calculation of expected loss amounts			36 (1) (d), 40, 159
13	Any increase in equity that results from securitised assets (negative amount)			32 (1)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	5	2	33 (1) (b)
15	Defined-benefit pension fund assets (negative amount)	−17,712	−18,663	36 (1) (e), 41
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	−4,163	−4,198	36 (1) (f), 42
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)			36 (1) (g), 44
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)			36 (1) (h), 43, 45, 46, 49 (2) (3), 79
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)			36 (1) (i), 43, 45, 47, 48, (1) (b), 49 (1) to (3), 79
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			36 (1) (k)
EU-20b	*of which: qualifying holdings outside the financial sector (negative amount)*			*36 (1) (k) (i), 89 to 91*
EU-20c	*of which: securitisation positions (negative amount)*			*36 (1) (k) (ii), 89 to 91, 243 (1) (b), 244 (1) (b), 258*
EU-20d	*of which: free deliveries (negative amount)*			*36 (1) (k) (ii), 379(3)*
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)			36 (1) (c), 38, 48 (1) (a)
22	Amount exceeding the 17.65% threshold (negative amount)			48 (1)
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*			*36 (1) (i), 48 (1) (b)*
24	Not applicable			
25	*of which: deferred tax assets arising from temporary differences*			*36 (1) (c), 38, 48 (1) (a)*
EU-25a	Losses for the current financial year (negative amount)			36 (1) (a)
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)			36 (1) (l)
26	Not applicable			
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)			36 (1) (j)
27a	Other regulatory adjustments (including IFRS 9 transitional adjustments when relevant)	−1,089	−1,008	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**−29,914**	**−30,810**	
29	**Common Equity Tier 1 (CET1) capital**	**162,956**	**158,539**	
Additional Tier 1 (AT1) capital: instruments				
30	Capital instruments and the related share premium accounts	14,561	14,387	51, 52
31	*of which: classified as equity under applicable accounting standards*			
32	*of which: classified as liabilities under applicable accounting standards*	*14,561*	*14,387*	
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1			486 (3)
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			85, 86
35	*of which: instruments issued by subsidiaries subject to phase out*			*486 (3)*
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**14,561**	**14,387**	

Table 50. EU CC1 – Composition of regulatory own funds

SEK m		a	a	b
		31 Dec 2022	30 Jun 2022	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)			52 (1) (b), 56 (a), 57
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)			56 (b), 58
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)			56 (c), 59, 60, 79
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)			56 (d), 59, 79
41	Not applicable			
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)			56 (e)
42a	Other regulatory adjustments to AT1 capital			
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**			
44	**Additional Tier 1 (AT1) capital**	**14,561**	**14,387**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**177,517**	**172,926**	
Tier 2 (T2) capital: instruments				
46	Capital instruments and the related share premium accounts	15,002	14,468	62, 63
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			486 (4)
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			87, 88
49	*of which: instruments issued by subsidiaries subject to phase out*			*486 (4)*
50	Credit risk adjustments	1,706	1,219	62 (c) (d)
51	**Tier 2 (T2) capital before regulatory adjustments**	**16,708**	**15,688**	
Tier 2 (T2) capital: regulatory adjustments				
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)			63 (b) (i), 66 (a), 67
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)			66 (b), 68
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)			66 (c), 69, 70, 79
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	66 (d), 69, 79, 477 (4)
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**	**15,508**	**14,488**	
59	**Total capital (TC = T1 + T2)**	**193,025**	**187,414**	
60	**Total risk exposure amount**	**859,320**	**851,025**	
Capital ratios and requirements including buffers				
61	Common Equity Tier 1	19.0%	18.6%	92 (2) (a)
62	Tier 1	20.7%	20.3%	92 (2) (b)
63	Total capital	22.5%	22.0%	92 (2) (c)
64	Institution CET1 overall capital requirements	13.2%	12.3%	CRD 128, 129, 130, 131, 133
65	*of which: capital conservation buffer requirement*	*2.5%*	*2.5%*	
66	*of which: countercyclical capital buffer requirement*	*0.8%*	*0.1%*	
67	*of which: systemic risk buffer requirement*	*3.1%*	*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*	*1.4%*	*1.2%*	
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	**12.4%**	**12.2%**	**CRD 128**
69	Not applicable			
70	Not applicable			
71	Not applicable			

Table 50. EU CC1 – Composition of regulatory own funds

SEK m	a 31 Dec 2022	a 30 Jun 2022	b 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)	3,415	3,029	36 (1) (h), 45, 46, 56 (c), 59, 60, 66 (c), 69, 70
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)	9,853	9,386	36 (1) (i), 45, 48
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)	390	665	36 (1) (c), 38, 48
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)			62
77 Cap on inclusion of credit risk adjustments in T2 under standardised approach	945	1,068	62
78 Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	1,706	1,219	62
79 Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	3,357	3,237	62
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			484 (3), 486 (2) & (5)
81 Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)			484 (3), 486 (2) & (5)
82 Current cap on AT1 instruments subject to phase out arrangements			484 (4), 486 (3) & (5)
83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)			484 (4), 486 (3) & (5)
84 Current cap on T2 instruments subject to phase out arrangements			484 (5), 486 (4) & (5)
85 Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)			484 (5), 486 (4) & (5)

COMMENT

- *SEB's Common Equity Tier 1 capital ratio increased to 19.0 per cent in December 2022 compared to 18.6 per cent in June 2022. The change was mainly attributable to a higher CET1 capital.*

Table 51. EU CC2 – Reconciliation of regulatory own funds to balance sheet in the audited financial statements

SEK m 31 Dec 2022	a Balance sheet as in published financial statements As at period end	b Under regulatory scope of consolidation As at period end	c Reference to table EU CC1
Assets – *Breakdown by asset clases according to the balance sheet in the published financial statements*			
1 Cash and cash balances at central banks	377,966	377,966	
2 Loans to central banks	73,962	73,962	
3 Loans to credit institutions	77,235	75,169	
4 Loans to the public	2,065,271	2,067,325	
5 Debt securities	252,611	240,331	
of which holdings of Tier 2 instruments in financial entities		*1,200*	*55*
6 Equity instruments	66,594	44,935	
7 Financial assets for which the customers bear the investment risk	356,367		
8 Derivatives	187,622	178,993	
9 Other assets	75,182	83,840	
of which intangible assets		*5,544*	*8*
of which defined benefit pension fund assets		*17,712*	*15*
of which deferred tax assets that rely on future profitability		*17*	*10*
10 Total assets	**3,532,810**	**3,142,521**	
Liabilities – *Breakdown by liability clases according to the balance sheet in the published financial statements*			
1 Deposits from central banks and credit institutions	66,873	66,248	
2 Deposits and borrowings from the public	1,701,687	1,713,135	
3 Financial liabilities for which the customers bear the investment risk	357,975		
4 Liabilities to policyholders	30,984		
5 Debt securities issued	795,149	795,149	
6 Short positions	44,635	44,635	
7 Derivatives	238,048	228,972	
8 Other financial liabilities	172	172	
9 Other liabilities	92,763	89,686	
of which Additional Tier 1 instruments		*14,561*	*30*
of which Tier 2 instruments		*15,002*	*46*
10 Total liabilities	**3,328,287**	**2,937,998**	
Shareholders' Equity			
1 Shareholders' Equity	**204,523**	**204,523**	
2 Total liabilities and shareholders' equity	**3,532,810**	**3,142,521**	

COMMENT

- *The difference between the balance sheet as in published financial statements and the balance sheet under regulatory scope of consolidation is that insurance operations are excluded in the latter.*

Table 52. EU CCA – Main features of regulatory own funds instruments and eligible liabilities instruments

	31 Dec 2022						
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	XS2076169668	XS2479344561	XS1511589605	XS2404247384
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	Yes	Yes	No	Yes
	Regulatory treatment						
4	Transitional CRR rules	Common Equity Tier 1	Common Equity Tier 1	Additional Tier 1	Additional Tier 1	Tier 2	Tier 2
5	Post-transitional CRR rules	Common Equity Tier 1	Common Equity Tier 1	Additional Tier 1	Additional Tier 1	Tier 2	Tier 2
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	Additional Tier 1 Notes	Additional Tier 1 Notes	Dated Subordinated Notes	Dated Subordinated Notes
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	SEK 21,700m	SEK 241m	SEK 9,361m	SEK 5,201m	SEK 9,446m	SEK 5,556m
9	Nominal amount of instrument	SEK 10	SEK 10	USD 900m	USD 500m	EUR 850m	EUR 500m
EU-9a	Issue price	SEK 100	SEK 10	100%	100%	99%	100%
EU-9b	Redemption price	N/A	N/A	N/A	N/A	100%	100%
10	Accounting classification	Equity	Equity	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	1972	1989	2019-11-05	2022-06-08	2016-10-31	2021-11-03
12	Perpeptual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Dated	Dated
13	Original maturity date	N/A	N/A	N/A	N/A	2028-10-31	2031-11-03
14	Issuer call subjet to prior supervisory approval	No	No	Yes	Yes	Yes	Yes
15	Optional call date, contingent call dates, and redemption amount	N/A	N/A	2025-05-13 or at any time thereafter. At Prevailing Principal Amount	2027-06-30 or at any time thereafter. At Prevailing Principal Amount	2023-10-31, 100%. In addition Tax/Regulatory call	2026-11-03, 100%. In addition Tax/Regulatory call
16	Subsequent call dates, if applicable	N/A	N/A	At any time there-after. At Prevailing Principal Amount.	At any time there-after. At Prevailing Principal Amount.	N/A	N/A
	Coupons/dividends						
17	Fixed or floating dividend/coupon	N/A	N/A	Fixed, Semi-annually Payments in arrear	Fixed, Semi-annually Payments in arrear	Fixed, Annually Payments in arrear	Fixed, Annually Payments in arrear
18	Coupon rate and any related index	N/A	N/A	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.	6.875% pa. If not called then new fixed rate set to USD Mid-Swap Rate for the relevant 5 Year period+Reset margin that is 4.073%pa.	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.
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	Fully discretionary	Fully discretionary	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No	No
22	Noncumulative or cumulative	Non-cumulative	Non-cumulative	Noncumulative	Noncumulative	N/A	N/A
23	Convertible or non-convertible	Non-convertible	Non-convertible	Convertible	Convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	5.125% for the Bank and 8% for the group	5.125% for the Bank and 8% for the group	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	Fully	Fully	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	Higher of (i) the cur-rent market price, (ii) the floor price or (iii) the nominal value.	Higher of (i) the cur-rent market price, (ii) the floor price or (iii) the nominal value.	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	Mandatory	Mandatory	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	A shares	A shares	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	Skandinaviska Enskilda Banken AB (publ)	Skandinaviska Enskilda Banken AB (publ)	N/A	N/A
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	2	2	3	3
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Additional Tier 1	Additional Tier 1	Tier 2	Tier 2	Senior Debt	Senior Debt
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)	The share | SEB (sebgroup.com)	The share | SEB (sebgroup.com)	Debt investors | SEB (sebgroup.com)	Debt investors | SEB (sebgroup.com)	Debt investors | SEB (sebgroup.com)	Debt investors | SEB (sebgroup.com)

N/A if the question is not applicable

Table 53. EU KM2 – Key metrics – MREL and, where applicable, G-SII requirement for own funds and eligible liabilities

SEK m		a Minimum requirement for own funds and eligible liabilities (MREL) 31 Dec 2022	a Minimum requirement for own funds and eligible liabilities (MREL) 30 Jun 2022
Own funds and eligible liabilities, ratios and components			
1	Own funds and eligible liabilities	328,353	306,986
EU-1a	*Of which own funds and subordinated liabilities*	*253,037*	*229,733*
2	Total risk exposure amount of the resolution group (TREA)	859,320	851,025
3	Own funds and eligible liabilities as a percentage of TREA (row1/row2)	38.2%	36.1%
EU-3a	*Of which own funds and subordinated liabilities*	*29.4%*	*27.0%*
4	Total exposure measure of the resolution group	3,539,598	4,003,075
5	Own funds and eligible liabilities as percentage of the total exposure measure	9.3%	7.7%
EU-5a	*Of which own funds or subordinated liabilities*	*7.1%*	*5.7%*

COMMENT

- *The minimum requirement for own funds and eligible liabilities (MREL) is met with sufficient own funds (capital) and eligible liabilities in relation to the total capital requirement, meaning TREA and outstanding eligible liabilities are the typical drivers of the ratio.*

Table 54. EU TLAC3b – Creditor ranking – resolution entity

SEK m		Insolvency ranking					
		1	3	4	6	7	
31 Dec 2022		(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**	**136,851**	**14,561**	**15,295**	**60,562**	**75,315**	**302,585**
6	*of which residual maturity ≥ 1 year <2 years*					*18,913*	***18,913***
7	*of which residual maturity ≥ 2 year <5 years*				*38,337*	*55,508*	***93,845***
8	*of which residual maturity ≥ 5 years <10 years*			*15,295*	*22,225*		***37,520***
9	*of which residual maturity ≥ 10 years, but excluding perpetual securities*					*894*	***894***
10	*of which perpetual securities*	*136,851*	*14,561*				***151,413***

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***

COMMENT

- *Resolution entity is Skandinaviska Enskilda Banken AB.*

Table 55. EU TLAC1 – Composition – MREL and, where applicable, G-SII requirement for own funds and eligible liabilities

SEK m		a	a
		Minimum requirement for own funds and eligible liabilities (MREL)	Minimum requirement for own funds and eligible liabilities (MREL)
		31 Dec 2022	**31 Dec 2021**
Own funds and eligible liabilities and adjustments			
1	Common Equity Tier 1 capital (CET1)	162,956	154,821
2	Additional Tier 1 capital (AT1)	14,561	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)	15,508	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	193,025	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)	60,012	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)	74,421	57,964
EU-13a	Eligible liabilities that are not subordinated to excluded liabilities issued prior to 27 June 2019 (pre cap)	894	10,978
14	Amount of non subordinated instruments eligible, where applicable after application of Article 72b (3) CRR	75,315	68,942
15	Empty set in the EU		
16	Empty set in the EU		
17	Eligible liabilities items before adjustments	135,327	99,025
EU-17a	*Of which subordinated*	*60,012*	*30,083*
Own funds and eligible liabilities: Adjustments to non-regulatory capital elements			
18	Own funds and eligible liabilities items before adjustments	328,353	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	328,353	280,763
EU-22a	*Of which own funds and subordinated*	*253,037*	*211,821*
Risk-weighted exposure amount and leverage exposure measure of the resolution group			
23	Total risk exposure amount	859,320	787,490
24	Total exposure measure	3,539,598	3,352,452
Ratio of own funds and eligible liabilities			
25	Own funds and eligible liabilities (as a percentage of total risk exposure amount)	38.2%	35.7%
EU-25a	*Of which own funds and subordinated*	*29.4%*	*26.9%*
26	Own funds and eligible liabilities (as a percentage of total exposure measure)	9.3%	8.4%
EU-26a	*Of which own funds and subordinated*	*7.1%*	*6.3%*
27	CET1 (as a percentage of TREA) available after meeting the resolution group's requirements	12.4%	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 56. 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 2022	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 (%)	Counter-cyclical buffer rate (%)
Breakdown by country													
1 Sweden	26,145	1,299,399	752			**1,326,297**	23,744	46		**23,790**	297,374	47.7	1
2 Denmark	1,314	110,634	49			**111,997**	2,552	4		**2,556**	31,951	5.1	2
3 Norway	3,774	128,750	714			**133,238**	2,991	44		**3,035**	37,933	6.1	2
4 Finland	1,665	131,824	102			**133,591**	2,387	8		**2,395**	29,937	4.8	
5 Estonia	6,070	74,156	0			**80,226**	2,519	0		**2,519**	31,494	5.0	1
6 Latvia	2,041	36,298				**38,339**	1,438			**1,438**	17,972	2.9	
7 Lithuania	5,567	82,887	0			**88,455**	2,905	0		**2,905**	36,315	5.8	
8 Germany	2,983	109,635	6		8,271	**120,895**	3,755	0	92	**3,847**	48,084	7.7	
9 United Kingdom	2,509	63,339	28		3,778	**69,654**	2,118	2	71	**2,191**	27,389	4.4	1
10 Other	9,507	219,958	34			**229,498**	5,234	3		**5,237**	65,458		
11 **Total**	**61,575**	**2,256,879**	**1,686**		**12,049**	**2,332,190**	**49,642**	**108**	**163**	**49,913**	**623,907**		

COMMENT

- *The main country of residence affecting the buffer rate is Sweden where the buffer rate was raised from 0 per cent to 1 per cent in September 2022. Furthermore the Swedish FSA decided to raise the countercyclical buffer to 2 per cent, which is the neutral level of the buffer. The decision will enter into force on 22 June 2023.*
- *Denmark increased the countercyclical buffer rate from 1 per cent to 2 per cent in December 2022, Estonia and United Kingdom increased the countercyclical buffer rate from 0 per cent to 1 per cent in December 2022 and Norway increased from 1,5 per cent to 2 per cent in December 2022.*

Table 57. EU CCyB2 – Amount of institution-specific countercyclical capital buffer

SEK m

	a	a
	31 Dec 2022	**30 Jun 2022**
1 Total risk exposure amount	859,320	851,025
2 Institution specific countercyclical capital buffer rate	0.80%	0.10%
3 Institution specific countercyclical capital buffer requirement	6,905	871

COMMENT

- *The institution-specific countercyclical buffer rate increased to 0.80 per cent as of 31 December 2022. The main explanation to this increase is that the Swedish FSA in September increased the countercyclical buffer for Sweden from 0 per cent to 1 per cent.*

Table 58. EU LR1 – LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

SEK m

		a	a
		Applicable amount	
		31 Dec 2022	**30 Jun 2022**
1	Total assets as per published financial statements	3,532,810	4,112,682
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	−390,289	−387,419
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	−7,925	−7,054
8	Adjustments for derivative financial instruments	−49,736	−77,832
9	Adjustment for securities financing transactions (SFTs)	−11,332	−5,164
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	404,979	376,525
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)		
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	61,091	−8,664
13	**Total exposure measure**	**3,539,598**	**4,003,075**

COMMENT

- *SEB's leverage exposure measure decreased to SEK 3,5bn in December 2022, due to decreased assets in the balance sheet.*

Table 59. EU LR2 – LRCom: Leverage ratio common disclosure

SEK m		a	a
		CRR leverage ratio exposures	
		31 Dec 2022	30 Jun 2022
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	2,849,499	3,360,300
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)	–43,703	–52,285
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)	–29,890	–30,810
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**2,775,906**	**3,277,205**
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	64,031	72,932
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	88,488	96,296
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	2,797	2,223
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	–577	–1,162
13	**Total derivatives exposures**	**154,739**	**170,290**
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	215,309	184,221
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	–20,235	–17,519
16	Counterparty credit risk exposure for SFT assets	8,903	12,354
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**	**203,977**	**179,057**
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	905,886	848,063
20	(Adjustments for conversion to credit equivalent amounts)	–500,907	–471,537
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)		
22	**Off-balance sheet exposures**	**404,979**	**376,525**

Table 59. **EU LR2 – LRCom: Leverage ratio common disclosure**

SEK m		a	a
		CRR leverage ratio exposures	
		31 Dec 2022	30 Jun 2022
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)	–3	–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)**	**–3**	**–1**
Capital and total exposure measure			
23	**Tier 1 capital**	**177,517**	**172,926**
24	**Total exposure measure**	**3,539,598**	**4,003,075**
Leverage ratio			
25	Leverage ratio	5.0	4.3
EU-25	Leverage ratio excluding the impact of the exemption of public sector investments and promotional loans) (%)	5.0	4.3
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	5.0	4.3
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	214,314	185,116
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	195,075	166,703
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)	3,558,838	4,021,488
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)	3,558,838	4,021,488
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	4.3
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	4.3

COMMENT

- *SEB monitors and discloses its leverage ratio according to the requirements and SEB must meet a leverage ratio minimum requirement of 3 per cent and on top of that a P2G of 0.45 per cent of the leverage ratio exposure measure. The leverage ratio increased to 5.0 per cent as of 31 December 2022 compared to 4.3 per cent as of 30 June 2022, and the main driver is a decreased leverage ratio exposure measure stemming from decreased assets in the balance sheet.*

Table 60. 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 2022	30 Jun 2022
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**2,849,496**	**3,360,300**
EU-2	Trading book exposures	119,584	132,547
EU-3	Banking book exposures, of which:	2,729,912	3,227,754
EU-4	Covered bonds	22,839	29,838
EU-5	Exposures treated as sovereigns	603,028	1,062,027
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns		
EU-7	Institutions	126,715	130,939
EU-8	Secured by mortgages of immovable properties	1,059,885	1,042,621
EU-9	Retail exposures	74,768	68,732
EU-10	Corporates	609,451	590,808
EU-11	Exposures in default	2,506	3,573
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	230,719	299,213

COMMENT

- *Total on balance sheet exposures decreased to SEK 2,8bn in December 2022, mainly due to cash balances central banks which decreased by SEK 375bn.*

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 219.6bn while the own funds amounted to SEK 263,0bn. In these total figures, SEB Life and Pension Holding AB has contributed with Solvency II figures from 30 September 2022.

Table 61. EU INS1 – Insurance participations

SEK m	a	b	a	b
	31 Dec 2022		31 Dec 2021	
	Exposure value	Risk exposure amount	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)	9,540	23,851	9,011	22,527

Table 62. EU INS2 – Financial conglomerates information on own funds and capital adequacy ratio

SEK m	a	a
	31 Dec 2022	31 Dec 2021
1 Supplementary own fund requirements of the financial conglomerate (amount)	219,568	202,116
2 Capital adequacy ratio of the financial conglomerate (%)	120	124

Table 63. 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 2022	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	377,966	377,966	377,966				
Loans to central banks	73,962	73,962	71,458	2,504		2,504	
Loans to credit institutions	77,235	75,169	72,799	2,370		2,370	
Loans to the public	2,065,271	2,067,325	1,964,873	90,861	11,591	90,861	
Debt securites	252,611	240,331	128,398			110,733	1,200
Equity instruments	66,594	44,935	5,278			39,657	
Financial assets for which the customers bear the investment risk	356,367						
Derivatives	187,622	178,993		178,993		178,993	
Other assets	75,182	83,840	56,491				27,349
TOTAL ASSETS	**3,532,810**	**3,142,521**	**2,677,263**	**274,728**	**11,591**	**425,118**	**28,549**
LIABILITIES							
Deposits from central banks and credit institutions	66,873	66,248					
Deposits and borrowing from the public	1,701,687	1,713,135					
Financial liabilities for which the customers bear the investment risk	357,975						
Liabilities to policyholders	30,984						
Debt securities issued	795,149	795,149					
Short positions	44,635	44,635					
Derivatives	238,048	228,972		228,972		228,972	
Other financial liabilities	172	172					
Other liabilities	92,763	89,686					
TOTAL LIABILITIES	**3,328,287**	**2,937,998**		**228,972**		**228,972**	
Total equity	**204,523**	**204,523**					
TOTAL LIABILITIES AND EQUITY	**3,532,810**	**3,142,521**					

Table 64. 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:			
31 Dec 2022	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)**	**3,388,699**	**2,677,262**	**274,728**	**11,591**	**425,118**
2 Liabilities carrying value amount under the regulatory scope of consolidation (as per template EU LI1)	**457,944**		228,972		228,972
3 Total net amount under regulatory scope of consolidation	**3,388,699**	2,677,262	274,728	11,591	425,118
4 Off-balance sheet amounts	**905,886**	323,365	81,156	458	
Differences due to impact of collaterals	*–7,503*	*–7,503*			
Differences due to different netting rules, other than those already included in row 2	*–397,579*		*–107,516*		*–290,063*
10 **EXPOSURE AMOUNTS CONSIDERED FOR REGULATORY PURPOSES**	**3,889,503**	**2,993,124**	**248,368**	**12,049**	**135,055**

Table 65. 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 Deutsch – Skandinavische Verwaltungs AG, Frankfurt am Main	Full consolidation	✓					Other type of entity
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, Kyiv	Full consolidation	✓					Credit institution
SEB Kort Bank AB, Stockholm	Full consolidation	✓					Credit institution
SEB Investment Management AB, Stockholm	Full consolidation	✓					Financial institution (other)
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 Securities Inc., New York	Full consolidation	✓					Financial institution (other)
SEB Strategic Investments AB, Stockholm	Full consolidation	✓					Other type of entity
Repono Holding AB, Stockholm	Full consolidation			✓			Other type of entity
SEB Life and Pension Holding AB, Stockholm	Full consolidation			✓			Other type of entity
Bankomat AB, Stockholm	Equity method			✓			Ancillary services undertaking
BGC Holding 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
Getswish AB, Stockholm	Equity method			✓			Ancillary services undertaking
Invidem AB (former Nordic KYC Utility 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
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

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 66. 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 2022	31 Dec 2021	**31 Dec 2022**	31 Dec 2021	**31 Dec 2022**	31 Dec 2021
Available own funds (amounts)						
1 Common Equity Tier 1 (CET1) capital	10,512	9,473	4,534	4,154	9,143	8,364
2 Tier 1 capital	10,512	9,473	4,534	4,154	9,143	8,364
3 Total capital	10,535	9,504	4,588	4,206	9,202	8,408
Risk-weighted exposure amounts						
4 Total risk-weighted exposure amount	38,660	34,452	22,735	18,781	48,837	38,767
Capital ratios (as a percentage of risk-weighted exposure amount)						
5 Common Equity Tier 1 ratio (%)	27.2	27.5	19.9	22.1	18.7	21.6
6 Tier 1 ratio (%)	27.2	27.5	19.9	22.1	18.7	21.6
7 Total capital ratio (%)	27.2	27.6	20.2	22.4	18.8	21.7
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	2.0	2.1	2.0	2.1	
EU-7b *of which: to be made up of CET1 capital (percentage points)*	*1.1*	*1.1*	*1.2*	*1.1*	*1.2*	
EU-7c *of which: to be made up of Tier 1 capital (percentage points)*	*1.5*	*1.5*	*1.5*	*1.5*	*1.6*	
EU-7d Total SREP own funds requirements (%)	10.0	10.0	10.1	10.0	10.1	8.0
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 (%)	1.0					
EU-9a Systemic risk buffer (%)					0.2	
10 Global Systemically Important Institution buffer (%)						
EU-10a Other Systemically Important Institution buffer	2.0	2.0	1.5	1.5	2.0	
11 Combined buffer requirement (%)	4.5	4.5	4.0	4.0	4.7	2.5
EU-11a Overall capital requirements (%)	15.5	14.8	14.1	14.0	14.9	10.5
12 CET1 available after meeting the total SREP own funds requirements (%)	17.2	17.5	10.1	12.4	8.7	13.6
Leverage ratio						
13 Total exposure measure	100,101	87,298	63,815	50,393	157,233	121,807
14 Leverage ratio (%)	10.5	10.9	7.1	8.2	5.8	6.9
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	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	3.0	3.0	3.0
Liquidity Coverage Ratio						
15 Total high-quality liquid assets (HQLA) (Weighted value)	11,646	8,080	9,447	7,661	26,272	25,054
EU-16a Cash outflows – Total weighted value	13,290	11,122	7,401	6,121	20,048	16,328
EU-16b Cash inflows – Total weighted value	7,168	7,722	4,986	5,394	7,155	19,806
16 Total net cash outflows (adjusted value)	6,167	4,117	3,906	1,530	12,992	4,736
17 Liquidity coverage ratio (%)	197	222	302	501	236	561
Net Stable Funding Ratio						
18 Total available stable funding	66,041	56,727	42,832	36,722	106,555	89,372
19 Total required stable funding	51,262	43,495	34,473	22,532	84,589	47,937
20 NSFR ratio (%)	129	130	124	163	126	186

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 2022, the Remuneration Policy was updated to increase the maximum level of annual gratuity, to clarify the criteria for receiving variable remuneration and the ratio between fixed and variable remuneration. The clarifications in the Policy will not lead to any changes on how SEB operates its remuneration models, levels or deferral structure.

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 criterias 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 67. EU REM1 – Remuneration awarded for the financial year

SEK

31 Dec 2022			a MB Supervisory-function	b MB Management function	c Other senior management	d Other identified staff
1	Fixed remuneration	Number of identified staff	14	7	184	757
2		Total fixed remuneration	18,481,435	39,456,921	534,495,808	1,324,694,450
3		*Of which: cash-based*	*18,481,435*	*39,456,921*	*534,495,808*	*1,324,694,450*
4		*(Not applicable in the EU)*				
EU-4a		*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	Variable remuneration	Number of identified staff		6	139	384
10		Total variable remuneration		11,188,600	121,891,500	313,006,007
11		*Of which: cash-based*			*24,246,265*	*145,092,046*
12		*Of which: deferred*			*14,142,319*	*61,694,058*
EU-13a		*Of which: shares or equivalent ownership interests*		*11,188,600*	*97,645,235*	*167,913,961*
EU-14a		*Of which: deferred*		*11,188,600*	*96,159,295*	*117,142,013*
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)**		**18,481,435**	**50,645,521**	**656,387,308**	**1,637,700,457**

Table 67. EU REM1 – Remuneration awarded for the financial year

SEK			a	b	c	d
31 Dec 2021			**MB Supervisory-function**	**MB Management function**	**Other senior management**	**Other identified staff**
1	Fixed remuneration	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		*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	Variable remuneration	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		*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 68. 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 2022		**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			5	16
7	Severance payments awarded during the financial year – Total amount			8,162,865	17,946,320
8	*Of which paid during the financial year*			*8,162,865*	*17,946,320*
9	*Of which deferred*				
10	*Of which severance payments paid during the financial year, that are not taken into account in the bonus cap*			*8,162,865*	*17,946,320*
11	*Of which highest payment that has been awarded to a single person*			*2,677,500*	*4,074,150*

Table 68. 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 69. EU REM3 – Deferred remuneration

SEK		a	b	c	d	e	f	EU - g	EU - h
Deferred and retained remuneration **31 Dec 2022**		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*	*35,811,437*	*4,362,868*	*31,448,569*				*4,362,868*	*4,362,868*
10	*Share-linked instruments or equivalent non-cash instruments*								
11	*Other instruments*								
12	*Other forms*								
13	Other senior management								
14	*Cash-based*	*40,575,981*	*14,021,793*	*26,554,187*				*13,743,983*	
15	*Shares or equivalent ownership interests*	*452,438,069*	*82,117,262*	*370,320,807*				*72,834,992*	*72,834,992*
16	*Share-linked instruments or equivalent non-cash instruments*								
17	*Other instruments*								
18	*Other forms*								
19	Other identified staff								
20	*Cash-based*	*184,516,311*	*61,075,611*	*123,440,700*				*59,834,612*	*0*
21	*Shares or equivalent ownership interests*	*382,936,848*	*87,657,427*	*295,279,421*				*83,189,236*	*83,189,236*
22	*Share-linked instruments or equivalent non-cash instruments*								
23	*Other instruments*								
24	*Other forms*								
25	**Total amount**	**1,096,278,646**	**249,234,961**	**847,043,685**				**233,965,692**	**160,387,097**

Table 69. EU REM3 – Deferred remuneration

SEK Deferred and retained remuneration 31 Dec 2021	a Total amount of deferred remuneration awarded for previous performance periods	b Of which due to vest in the financial year	c Of which vesting in subsequent financial years	d Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	e Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	f 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)	EU - g Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	EU - h 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 70. EU REM4 – Remuneration of 1 million EUR or more per year

	a 31 Dec 2022 Identified staff that are high earners as set out in Article 450 (i) CRR	a 31 Dec 2021 Identified staff that are high earners as set out in Article 450 (i) CRR
1 1,000,000 to below 1,500,000	3	5
2 1,500,000 to below 2,000,000		1
3 2,000,000 to below 2,500,000	1	

Table 71. 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 2022	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**										**962**
2 *Of which: members of the MB*	*14*	*7*	**21**							
3 *Of which: other senior management*				*10*	*57*	*15*	*52*	*13*	*37*	
4 *Of which: other identified staff*				*110*	*336*	*46*	*72*	*118*	*75*	
5 Total remuneration of identified staff	18,481,435	50,645,521	**69,126,956**	410,734,382	878,415,199	187,930,215	265,719,307	228,282,544	323,006,116	
6 *Of which: variable remuneration*		*11,188,600*	**11,188,600**	*113,391,215*	*179,894,827*	*45,058,350*	*34,021,955*		*62,531,160*	
7 *Of which: fixed remuneration*	*18,481,435*	*39,456,921*	**57,938,356**	*297,343,167*	*698,520,372*	*142,871,865*	*231,697,352*	*228,282,544*	*260,474,956*	

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*	

Sustainability

SEB wants to be a leading catalyst in the sustainability transition, and has the ambition to accelerate the pace towards a sustainable future for people, businesses and society. We believe we can make the greatest positive impact by partnering with our customers and supporting them on their transition journeys. Managing climate change is both a business opportunity and a possibility to support our customers in the transition to a low carbon society.

Business strategy and commitments
SEB's sustainability strategy and activities are an integral part of the business, and a cornerstone of our 2030 Strategy. As a bank, we have the power, opportunity and responsibility to impact the world we operate in. Accordingly, we take an active part in the global green transition and have committed to several sustainability-linked international agreements and frameworks. Among them is the UN-initiated Net-Zero Banking Alliance which SEB joined in 2021 and through which we commit to align our emissions from our lending and investment portfolios with pathways to net-zero by 2050 or sooner, and to set 2030 reduction targets. We are also committed to respect human rights in financing, investments, supply chain processes, and in our own operations.

We are incorporating sustainability considerations into strategic planning, business development, risk management, in credit assessments and customer selection processes. To further promote informative and harmonised financial disclosure to stakeholders, SEB has endorsed the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

Objectives, targets and limits
In 2021, SEB developed three proprietary metrics to steer our business in line with our sustainability strategy, and to measure our progress in the transition towards a low-carbon society: the Carbon Exposure Index (*The Brown*), the Sustainability Activity Index (*The Green*) and the Transition Ratio (*The Future*).

Area	Description	Outcome 2022	Outcome 2021	Goal 2030
The Brown	Carbon Exposure Index measuring the fossil fuel credit exposure in our energy portfolio (index=100, 2019)	Index 83	Index 88	Reduce by 45–60%
The Green	Sustainability Activity Index, measuring our activities supporting the sustainable development (index=100, 2021)	Index 159	Baseline 100	Increase by 6–8 times
The Future	Transition Ratio measuring our corporate and real estate credit portfolio's anatomy from a climate perspective.	69%[1]	n/a	n/a

1) Credit exposure as per year end 2021 have been classified based on information collected and assessed during 2022.

To complement these ambitions and goals, we published our net-zero aligned 2030 interim targets for specific sectors of our credit portfolio in 2022. The targets focus on the areas where the bank can achieve the greatest positive impact and cover SEB's lending and commitments to the; oil & gas, power generation, steel, car manufacturing and Swedish household mortgage sectors. Our ambitions and NZBA sector targets are an integral part of SEB's goal to reach a net-zero credit portfolio by 2050 or sooner. We have started to integrate our 2030 targets in our decision-making and governance.

SEB 2030 sector targets – baseline, progress and targets

Sector	Emissions scope[1]	Metric	2020 baseline	2030 target	Δ 2020–2030
Oil and gas: E&P[2] and refining	1, 2, 3[3]	million tonne CO_2e[4]	18.4	8.3	–55%
Power generation	1, 2	g CO_2e / kWh	123	70	–43%
Steel	1, 2	tonne CO_2e / tonne steel	1.40	0.98	–30%
Car manufacturing	3[5]	g CO_2e / km / vehicle	153	61	–60%
Swedish household mortgages	1, 2	kg CO_2e / m^2	3.12	2.18	–30%

1) Scope 1 = direct emissions from sources owned or controlled by the company, scope 2 = indirect emissions resulting from electricity, heat, or steam purchased by the company, scope 3 = indirect emissions from sources not owned or controlled by the company, e.g. related to the supply chain.
2) Exploration and production.
3) Scope 3 – use of sold products.
4) Financed emissions.
5) Scope 3 – use of sold products – Tank To Wheel.

In 2019 SEB defined a risk appetite in absolute terms for credit exposure to the exploration and production of oil & gas and oilfield services segments. The risk appetite is revised downwards on an annual basis. In 2020 the bank implemented an exit strategy for the offshore segment.

Alignment with the EU Taxonomy
SEB was represented in the Technical Expert Group that contributed to the development of the EU taxonomy, and we have for several years been active in the expert group EU Platform on Sustainable Finance which advises on topics related to further developing the EU Taxonomy.

SEB is integrating the EU Taxonomy into the business strategy, processes and product development. We also share expert knowledge to support our customer via our advisory services. In 2022, SEB updated its framework for green bonds to be broadly aligned with the EU Taxonomy. The Green Bond Framework has also been expanded to more categories such as biodiversity, transition to a circular economy and climate change adaptation.

SEB's investment offering covers a broad variety of products and services, ranging from funds, equities and certificates, discretionary portfolio management as well as pension services. We integrate environmental, social and governance (ESG) factors into the investment processes and aim to increase the share of funds that have sustainable investments as its objective. SEB Investment Management is committed to aligning investments with the Paris Agreement to reach net zero greenhouse gas emissions by 2040, on an aggregated level, for the total capital in funds.

Policy framework for sustainability risks

Sustainability-related risks are covered both by our sustainability policy framework and by our risk policy framework.

The sustainability policy framework provides transparency on the expectations and requirements we set for our clients on specific key issues from environmental and social perspectives. The sector policies form a common framework for dialogues with the clients and portfolio companies we work with, focusing on business opportunities and risk reduction. They set the expectations on corporate behavior, the commitment to sector-based standards and restrictions on specific activities. The policies are also an important part of SEB's framework for due diligence as they provide guidelines on good industry practice that we expect companies to follow.

SEB's Social and Human Rights Policy underwent major updates in 2022. The purpose of the Social and Human Rights Policy is to clarify SEB's social and human rights position and human rights management. The policy lists sectors and products with high potential social and human rights risks and adequate due diligence in such cases.

The Customer Acceptance Policy represents what SEB considers to be the critical requirements when accepting customers. They complement internal and external rules and aim to further institutionalise, and reinforce, SEB's sound risk culture in the area of customer acceptance. The policy includes principals on environmental, social and governance issues including a reference to the sustainability policy framework. During 2022, we have worked to enhance the customer acceptance process, which is expected to be implemented gradually in SEB during 2023.

SEB also has a policy for inclusion and diversity, and we work in a structured way to actively appoint women to senior positions, promote equal pay, recruit, develop and promote people with an international background and increase diversity in teams and management groups.

SEB works long-term and preventively to ensure a safe and healthy workplace that promotes a good balance between work and private life. Since 2021, SEB has applied a global policy that enables most of the employees to choose to work from home for up to two days per week.

SEB has also updated its Code of Conduct for Suppliers and improved its operationalisation. SEB is committed to the principles of protecting children and other vulnerable groups from any form of exploitation, including child- or forced labour. Through our business activities we can have a potential impact on child- and forced labour. We therefore strive to identify and mitigate our exposure to risks related to these areas. SEB aims to avoid any business relationship with a negative impact on human rights. If SEB identifies negative human rights impact in the business relationship we will engage with the counterparty and consider various mitigating options.

Engagement with our customers, community and society

SEB regularly interact with key stakeholders on sustainability topics and we aim to respond to our stakeholders' needs and expectations in a responsible manner.

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

We use our proprietary Customer Sustainability Classification tool (CSC) to illustrate our customers' transition plans, and compare them to the objectives of the Paris agreement. The CSC tool uses information collected from our customers and sector transition pathways developed by third parties. The tool supports in-depth customer dialogues on the investment needs, the opportunities and the risks related to the implementation of their plans. This results in a classification according to five categories:

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

SEB is continuously updating and refining the CSC tool as data availability and quality improves. Validation of the CSC tool is expected to be completed during 2023. The classification according to one of the five categories forms the basis for the Transition ratio – The future, one of SEB´s climate-related metrics.

We also want to facilitate for our private customers to make sustainable choices and have procedures in place to secure that all the products that we offer follow responsible business practices. As an example, in 2022 SEB initiated a pilot project aimed at enabling customers to get a better understanding of their energy consumption related to housing. In the app, customers can identify potential energy savings and renovation measures, such as installation of solar panels or heat pumps, and through SEB receive favorable financing, such as a loan for solar panels.

Social and human rights due diligence are performed according to internal instructions, and we aim to influence our customers and portfolio companies to have appropriate labour and human rights due diligence systems in relation to their risks.

We have established procedures to evaluate and select suppliers and contractors, based on financial, environmental, social and governance aspects. To identify sustainability risks among our suppliers, SEB performs, when applicable, an initial assessment of suppliers using a risk model tool that takes country, industry sector and business criticality into account. Suppliers that are identified in the initial assessment as having a potential elevated risk level, are subject to an enhanced screening. Risk factors include climate and environment, labour practices and human rights, fair business practices and sustainable procurement. These are to be considered in procurement decisions along with other risk factors and commercial aspects.

Employee relationships and labour standards

We are committed to enable people and communities to prosper and grow. To work at SEB means to be part of positively shaping the future by creating long-term customer value and contributing to a sustainable society.

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

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

Sustainability governance model
SEB has created a sustainability governance model, with roles and mandates on different levels, that covers our impact on the economy, environment and climate, and people, including impact on social well-being and human rights and other ethical considerations. This model determines how we set our strategy and work to implement it in practice.

- The Board of Directors is ultimately responsible for establishing a strategy for corporate sustainability and an organisation to execute on the strategy. SEB's sustainability strategy and activities is regularly included on the Board's agenda, together with an annual review of policies and instructions.
- The President and Chief Executive Officer is responsible for execution of the sustainability strategy, and implementation of the governance structure set by the Board.
- The Chief Risk Officer is responsible for making sure that the intent of the Board and the President is carried out as concerns policies for risk management and risk control.
- Sustainable Banking is the operational body that is responsible for coordinating and driving the overall corporate sustainability agenda.

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

The Group Risk Committee (GRC), also chaired by the President, is a group-wide decision-making body that addresses all types of risks at the group level, including sustainability and reputational risks. Sustainable Banking is working in close collaboration with the divisions, group staff functions and group support functions. *The Chief Sustainability Officer* (CSO) heads Sustainable Banking and is also a member of the *Group Executive Committee* (GEC), GESC and GRC.

Each Head of Division, Head of Group Support function and Head of Group Staff function is responsible for ensuring that procedures and controls are in place to implement and adhere to the corporate sustainability objectives, strategy and policies set by the Board, the President and the GESC. In each division there is a *Sustainability Business Risk Committee* (SBRC) that assesses and decides upon new customers or transactions from a material sustainability risk perspective and based on SEB's strategy and policies, before bringing the on-boarding or transaction for decision by the relevant decision-making body. Escalation to a divisional SBRC is done by the client executive (or equal) when a proposed transaction or customer on-boarding deviates from SEB's Corporate Sustainability Policy or sustainability risk appetite.

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

Integration of sustainability risks in the risk framework
ESG-related risk is inherent across all risk types, which include both financial and non-financial risks. Definitions of ESG-related risks are included in the SEB Group Risk Policy and the management of such risks is integrated into existing processes and governance structure for identifying, monitoring, measuring, and reporting risks. Climate-related risks have been a particular focus area within the sustainability area. The table below provides examples of how climate-related risks could impact SEB across each risk type.

	Transition risk	Physical risk
Credit risk	Energy efficiency standards may trigger substantial adaptation costs and lower corporate profitability, which may lead to a higher probability of default as well as lower collateral values.	Default risk and collateral values may be impacted within sectors or geographies vulnerable to physical risk, for instance due to elevated flood risk.
Market risk	Transition risk drivers, for instance, a carbon tax, may cause repricing of securities and derivatives for products associated with high carbon content.	Severe physical events may lead to sudden repricing and higher volatility in some markets.
Liquidity risk	An abrupt repricing of securities, due to asset stranding, may reduce the value of banks' high quality liquid assets, thereby affecting liquidity buffers.	Liquidity risk may be affected if customers (for instance insurance companies and financial institutions) withdraw large amounts of money due to extreme weather-related events.
Non-financial risk	Changing consumer sentiment regarding climate issues may lead to reputation and liability risks for the bank. Reputational risk primarily relates to financing or investing in customers with a material climate impact.	The bank's operations may be disrupted due to physical damage to its property, branches and data centers as a result of extreme weather events.

In addition to climate risks, other ESG-related risks may also impact both credit and reputational risks through various transmission channels. For example, mining, particularly in emerging and frontier markets, have many cases where poor human rights management has resulted in:

- Withdrawn license to operate a mine
- Significant drop in share price
- Access to funding dries up
- Demonstrations and strikes reducing output and cash flow.

An important part of understanding sustainability risk is done in the customer on-boarding, and the annual review of credit customers, through two processes that support the identification and assessment of environmental risk related to our customers:

- Annual screening of sustainability policy compliance and customer sustainability classification
- Sustainability risk assessment in the credit process.

Methodologies and international standards

SEB recognises the importance of participating in and supporting international commitments. The frameworks that SEB has committed to can be divided into international agreements, international frameworks that SEB supports, and business-related commitments that SEB has signed up to.

The Paris Agreement and the Sustainable Development Goals are predominant guiding principles for SEB. In addition, we support and have signed a broad range of international agreements and commitments that guide us in our work, e.g. Principles or Responsible Banking, Net-Zero Banking Alliance, *The Task Force on Climate Related Financial Disclosure* (TCFD), Poseidon Principles, The Universal Declaration of Human Rights, UN Global Compact and the Equator Principles.

SEB applies climate scenarios from *The Network of Central Banks and Supervisors for Greening the Financial System* (NGFS) in climate scenario analysis.

SEB assesses the risk for negative human rights impact in accordance with the group's Social and Human Rights Policy based on SEB's commitments to international agreements and principles such as the UN Guiding Principles on Business and Human Rights and the ILO Core Conventions.

SEB has identified high-risk countries by using compilations and rankings of social risks by external ESG providers. SEB is using both reputational risk and several ESG rating providers to get a better understanding of the sustainability risk exposure of clients. SEB is e.g. looking into how external ESG data can be further developed for Human Rights Due Diligence screening.

Risk management processes and tools

Understanding our customers transition plans and emission reduction ambitions is key for us to deliver on our 2030 interim targets and in our work to align our strategy to the objectives of the Paris agreement. We use our proprietary *Customer Sustainability Classification tool* (CSC tool) to illustrate our customers´ transition plans and to compare them to the objectives of the Paris agreement.

Assessing the resilience of SEB's credit portfolio to the consequences of climate-related risks is a complex task due to, in particular, the wide variety of possible future developments and the long-term perspective required to carry out the analyses. To understand how climate-related risks could impact SEB, and our clients, we evaluate scenarios looking at both current exposures to climate-related risk and forward-looking assessments of potential impacts, including those associated with a 1.5° or 2° Celsius rise in global temperatures. SEB's approach to climate scenario analysis is to prioritise the efforts on business activities deemed most impacted by climate change, focusing on exposed sub-portfolios, and assessing credit risks.

In addition to scenario analysis on portfolio level, SEB integrates environmental risk considerations in the credit analysis work and credit approval process. Specific climate transition risk analysis is performed for larger customers operating in sectors with a material carbon footprint for customers. The analysis framework was refined in 2022, with focus on our customers' exposure to climate transition risks, their strategy to mitigate them, and the financial impact associated with implementing their climate strategy. At year-end 2022, SEB had completed transition risk analyses of around 135 customers with a combined credit exposure of approximately SEK 189bn. During 2022, SEB also launched a pilot of physical climate risk analysis, looking at customers that might be particularly vulnerable to flooding, droughts or other physical risks, mainly within agriculture, forestry and the textile sector.

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

Estimated impact of sustainability risk

In recent years, scenario analyses of the oil and gas portfolio, power generation portfolio, the Swedish residential mortgages, and the Baltic real estate portfolios have been carried out. Based on the scenario analyses to date, including a 1.5°C scenario, the impact on the overall capital adequacy and liquidity risk profile of the bank is expected to be limited.

Limits and restrictions

SEB has defined sustainability-related restrictions on specific activities in its Sector policies. For example, SEB aims to exit current customers with more than 5 per cent of revenues from thermal coal mining and coal fired power generation by 2025 and 2030, respectively. There is a time-limited exception for Germany, where the phase-out will be completed by 2038 in line with the German Coal Phase out Act. Furthermore, SEB has social and human rights restrictions on sectors including gambling, tobacco, arms and defence. The sector policies set expectations on several governance issues, e.g. sustainability reporting, anti-corruption policies and tax reporting according to country-by-country principle, when relevant.

In 2019 SEB defined a risk appetite in absolute terms for credit exposure to the exploration and production of oil & gas and oilfield services segments. The risk appetite is revised downwards on an annual basis. The bank has also put in place an exit strategy for the offshore segment.

In addition, several principles in SEB's Customer Acceptance Policy are related to governance performance, e.g:

- Transparency is a requirement – openness and the ability to provide satisfactory information is a requirement to become and remain a customer of SEB. This is matched by SEB's strong commitment to banking secrecy. Complex ownership or group structures that SEB is unable to understand the purpose and effect of are warning signals.
- Respectful distance to grey zones – SEB expects customers to conduct their business not only in compliance with laws, but with an appropriate distance of respect to the letter of the law. Customers that appear willing to operate in legal "grey zones" shall generally be avoided.
- High-risk countries shall generally be avoided – high-risk countries are countries where legal systems, infrastructures or financial disclosure are considered deficient and where the risk of corruption is high. These characteristics often lead to a reduced level of transparency. To a large extent, this limits the possibility for SEB to assess and control risks when dealing with customers in these countries.

Reporting sustainability risk

Sustainability risk is considered as a risk factor affecting several risk types, such as credit, market, liquidity, and non-financial risks. Accordingly, the management and reporting of environmental risks are integrated into existing reporting processes and governance structures.

Efforts to improve data quality

During 2022 we have continued to develop an ESG data platform. The platform will serve as a central repository for internally and externally sourced ESG data and will interface with existing internal applications to enable efficient and consistent aggregation, analysis, monitoring and reporting of ESG related risks and opportunities in accordance with reporting standards and KPIs. Our expectation is that the data quality will increase over the next coming years, due to the financial sectors dependency on data from non-financial counterparties and collateral information.

Table 72. ESG 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity

SEK m

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Sector/subsector	Gross carrying amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO_2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting					
	31 Dec 2022		*Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation*	*Of which environmentally sustainable (CCM)*	*Of which stage 2 exposures*	*Of which non-performing exposures*		*Of which stage 2 exposures*	*Of which non-performing exposures*		*Of which scope 3 financed emissions*		<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Average weighted maturity
1	**Exposures towards sectors that highly contribute to climate change[1)]**	**777,418**	**5,269**		**28,221**	**3,618**	**3,957**	**595**	**2,401**				**711,785**	**41,018**	**21,662**	**2,953**	**2**
2	A – Agriculture, forestry and fishing	17,173			337	96	56	6	29				15,103	2,061	4	4	2
3	B – Mining and quarrying	7,621	4,324		1,367	13	137	125	4				7,424	35	0	162	1
4	*B.05 – Mining of coal and lignite*	0					0						0				0
5	*B.06 – Extraction of crude petroleum and natural gas*	5,842	3,737		664	9	34	28	3				5,682			160	1
6	*B.07 – Mining of metal ores*	61			1	3	1	0	1				61			0	1
7	*B.08 – Other mining and quarrying*	441			16	0	2	0	0				406	35	0	1	4
8	*B.09 – Mining support service activities*	1,277	587		686	1	99	97	0				1,276			2	1
9	C – Manufacturing	121,680	424		6,999	1,429	1,306	149	991				117,835	1,075	1,850	919	1
10	*C.10 – Manufacture of food products*	14,606			537	219	163	7	133				13,642	220		744	1
11	*C.11 – Manufacture of beverages*	3,446			24	2	4	1	0				3,417	24		5	1
12	*C.12 – Manufacture of tobacco products*	16			1		0	0					16				0
13	*C.13 – Manufacture of textiles*	965			496	0	4	2	0				959	2	2	1	1
14	*C.14 – Manufacture of wearing apparel*	880			9	1	1	0	0				880			0	0
15	*C.15 – Manufacture of leather and related products*	635			2	0	2	0	0				635			0	0
16	*C.16 – Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials*	2,884			236	6	18	7	2				2,866	16	2	1	2
17	*C.17 – Manufacture of pulp, paper and paperboard*	11,157			29	0	10	2	0				11,011	142		3	1
18	*C.18 – Printing and service activities related to printing*	374			19	4	3	0	1				339	34		0	2
19	*C.19 – Manufacture of coke oven products*	2,059	1		8	648	573	0	573				1,996			63	1
20	*C.20 – Production of chemicals*	12,080			2,054	1	50	33	0				12,048	19		13	2
21	*C.21 – Manufacture of pharmaceutical preparations*	2,912			7		2	0					2,912			1	3
22	*C.22 – Manufacture of rubber products*	6,295			154	144	108	2	96				6,282	10	1	1	2
23	*C.23 – Manufacture of other non–metallic mineral products*	3,724			577	1	39	32	0				3,680	43		1	2
24	*C.24 – Manufacture of basic metals*	4,645	0		113	0	4	1	0				4,642		1	1	0
25	*C.25 – Manufacture of fabricated metal products, except machinery and equipment*	6,164			345	6	31	14	3				5,915	180	7	62	2
26	*C.26 – Manufacture of computer, electronic and optical products*	6,271			242	18	29	4	11				6,244	25		2	1
27	*C.27 – Manufacture of electrical equipment*	7,160			611	89	82	6	72				6,929	227		4	1
28	*C.28 – Manufacture of machinery and equipment n.e.c.*	18,467	422		721	5	37	16	2				16,546	71	1,834	16	2

Table 72. ESG 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity

SEK m

Sector/subsector 31 Dec 2022	a Gross carrying amount	b Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	c Of which environmentally sustainable (CCM)	d Of which stage 2 exposures	e Of which non-performing exposures	f Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	g Of which stage 2 exposures	h Of which non-performing exposures	i GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO_2 equivalent)	j Of which scope 3 financed emissions	k GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	l <= 5 years	m > 5 years <= 10 years	n > 10 years <= 20 years	o > 20 years	p Average weighted maturity
29 *C.29 – Manufacture of motor vehicles, trailers and semi-trailers*	*5,483*			*278*	*0*	*12*	*2*	*0*				*5,467*	*14*		*3*	*1*
30 *C.30 – Manufacture of other transport equipment*	*4,281*			*78*	*0*	*2*	*0*	*0*				*4,274*	*1*	*2*	*3*	*2*
31 *C.31 – Manufacture of furniture*	*1,422*			*334*	*268*	*106*	*15*	*90*				*1,417*	*5*			*3*
32 *C.32 – Other manufacturing*	*3,791*			*16*	*10*	*13*	*0*	*4*				*3,787*			*4*	*1*
33 *C.33 – Repair and installation of machinery and equipment*	*1,963*	*1*		*109*	*6*	*10*	*4*	*3*				*1,920*	*41*		*1*	*1*
34 D – Electricity, gas, steam and air conditioning supply	7,524	*69*		*1,006*	*32*	119	*47*	*28*				42,426	16,218	15,027	1,574	6
35 *D35.1 – Electric power generation, transmission and distribution*	*60,905*	*69*		*968*	*32*	*107*	*47*	*28*				*33,478*	*12,493*	*13,361*	*1,574*	*6*
36 *D35.11 – Production of electricity*	*49,025*	*69*		*958*	*32*	*96*	*47*	*28*				*25,478*	*9,830*	*12,145*	*1,572*	*7*
37 *D35.2 – Manufacture of gas; distribution of gaseous fuels through mains*	*3,710*			*23*		*6*	*0*					*3,710*			*0*	*2*
38 *D35.3 – Steam and air conditioning supply*	*10,631*			*14*		*6*	*0*					*5,239*	*3,725*	*1,667*	*0*	*6*
39 E – Water supply; sewerage, waste management and remediation activities	3,469			*61*	*0*	5	*2*	*0*				2,852	530	86	1	3
40 F – Construction	13,756			*676*	*184*	107	*19*	*59*				11,214	469	2,039	33	4
41 *F.41 – Construction of buildings*	*5,516*			*171*	*147*	*59*	*3*	*49*				*4,294*	*121*	*1,091*	*10*	*4*
42 *F.42 – Civil engineering*	*2,714*			*91*	*8*	*8*	*3*	*1*				*1,668*	*95*	*941*	*10*	*8*
43 *F.43 – Specialised construction activities*	*5,526*			*415*	*29*	*40*	*13*	*9*				*5,252*	*254*	*7*	*13*	*2*
44 G – Wholesale and retail trade; repair of motor vehicles and motorcycles	84,368	*392*		*2,362*	*206*	319	*85*	*72*				83,657	635	10	66	1
45 H – Transportation and storage	85,763	*47*		*4,697*	*1,447*	1,304	*58*	*1,174*				68,229	15,047	2,379	108	3
46 *H.49 – Land transport and transport via pipelines*	*13,290*			*603*	*217*	*87*	*32*	*28*				*9,866*	*2,955*	*451*	*18*	*3*
47 *H.50 – Water transport*	*56,560*			*3,876*	*1,192*	*1,183*	*23*	*1,139*				*46,400*	*9,805*	*307*	*48*	*3*
48 *H.51 – Air transport*	*1,690*			*12*	*4*	*4*	*0*	*1*				*1,404*	*285*		*1*	*2*
49 *H.52 – Warehousing and support activities for transportation*	*12,629*	*47*		*155*	*35*	*29*	*2*	*6*				*8,982*	*1,985*	*1,621*	*40*	*4*
50 *H.53 – Postal and courier activities*	*1,594*			*52*	*0*	*1*	*1*	*0*				*1,578*	*16*		*0*	*1*
51 I – Accommodation and food service activities	5,774			*1,401*	*37*	56	*38*	*7*				5,510	65	175	24	2
52 L – Real estate activities	362,568	*13*		*9,314*	*175*	550	*66*	*37*				357,534	4,882	90	61	1
53 **Exposures towards sectors other than those that highly contribute to climate change**[1]	**300,066**	***1,143***		***10,144***	***1,269***	**1,390**	*358*	*608*				**281,175**	**12,490**	**2,323**	**4,078**	**1**
54 K – Financial and insurance activities	162,250	*403*		*4,809*	*458*	622	*141*	*321*				157,133	3,460	984	672	1
55 Exposures to other sectors (NACE codes J, M – U)	137,817	*740*		*5,335*	*811*	769	*218*	*286*				124,043	9,030	1,339	3,405	2
56 **TOTAL**	**1,077,485**	***6,411***		***38,365***	***4,888***	**5,348**	***953***	***3,009***				**992,961**	**53,508**	**23,985**	**7,031**	**2**

1) In accordance with the Commission delegated regulation EU) 2020/1818 supplementing regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks –Climate Benchmark Standards Regulation – Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006.

Table 73. ESG 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral

SEK m		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Total gross carrying amount amount (in SEK m)															
Counterparty sector			Level of energy efficiency (EP score in kWh/m² of collateral)						Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral	
31 Dec 2022			0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G		*Of which level of energy efficiency (EP score in kWh/m² of collateral) estimated*
1	**Total EU area**	**1,082,177**	**189,791**	**254,095**	**17,578**	**3,093**	**480**	**579**	**7,762**	**39,781**	**74,623**	**109,907**	**146,608**	**70,300**	**27,153**	**606,044**	
2	*Of which Loans collateralised by commercial immovable property*	*239,341*	*25,966*	*28,562*	*5,362*	*2,300*	*162*	*546*	*3,927*	*12,061*	*11,805*	*12,129*	*16,352*	*7,317*	*3,919*	*171,832*	
3	*Of which Loans collateralised by residential immovable property*	*842,836*	*163,826*	*225,533*	*12,217*	*793*	*318*	*33*	*3,835*	*27,720*	*62,818*	*97,778*	*130,256*	*62,983*	*23,234*	*434,212*	
4	*Of which Collateral obtained by taking possession: residential and commercial immovable properties*																
5	*Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated*																
6	**Total non-EU area**																
7	*Of which Loans collateralised by commercial immovable property*																
8	*Of which Loans collateralised by residential immovable property*																
9	*Of which Collateral obtained by taking possession: residential and commercial immovable properties*																
10	*Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated*																

Table 74. ESG 4: Banking book – Climate change transition risk: Exposures to top 20 carbon-intensive firms

SEK m	a	b	c	d	e
31 Dec 2022	Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
Exposures to top 20 carbon-intensive firms	6	0%		0	1

Table 75. ESG 5: Banking book – Climate change physical risk: Exposures subject to physical risk

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
SEK m		Gross carrying amount												
		of which exposures sensitive to impact from climate change physical events												
Variable: Geographical area subject to climate change physical risk – acute and chronic events		Breakdown by maturity bucket					*Of which exposures sensitive to impact from chronic climate change events*	*Of which exposures sensitive to impact from acute climate change events*	*Of which exposures sensitive to impact both from chronic and acute climate change events*	*Of which stage 2 exposures*	*Of which non-performing exposures*	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
31 Dec 2022		<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Average weighted maturity							*Of which stage 2 exposures*	*Of which non-performing exposures*
1 A – Agriculture, forestry and fishing	17,173													
2 B – Mining and quarrying	7,621													
3 C – Manufacturing	121,680													
4 D – Electricity, gas, steam and air conditioning supply	75,246													
5 E – Water supply; sewerage, waste management and remediation activities	3,469													
6 F – Construction	13,756													
7 G – Wholesale and retail trade; repair of motor vehicles and motorcycles	84,368													
8 H – Transportation and storage	85,763													
9 L – Real estate activities	362,568													
10 Loans collateralised by residential immovable property	847,767	7,377	192	437	903	4	*5,353*	*2,774*	*782*	*413*	*21*	10	*4*	*5*
11 Loans collateralised by commercial immovable property	242,826	1,107	6	4	8	3	*210*	*216*	*699*	*250*	*0*	12	*12*	*0*
12 Repossessed collaterals														
13 Other relevant sectors (breakdown below where relevant)	305,841													

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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