

## Item 16

### Remuneration report 2021

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#### Introduction

This Remuneration report (the Report) provides an outline of how Skandinaviska Enskilda Banken AB's (SEB's or the Bank's) guidelines for salary and other remuneration for the President and members of the Group Executive Committee (the Guidelines), adopted by the Annual General Meeting 2020, have been implemented in 2021. The Report also provides information on the remuneration of SEB's President and CEO (President) and deputy CEO.

The Report has been prepared in accordance with Chapter 8, Sections 53 a and 53 b of the Swedish Companies Act (2005:551) and the remuneration rules issued by the Swedish Corporate Governance Board.

Information required by Chapter 5, Sections 40-44 of the Annual Accounts Act (1995:1554) is available in note 8c on p. 138-139 in SEB's annual report for 2021 (the Annual report 2021) on SEB's website [www.sebgroup.com](http://www.sebgroup.com).

Information on the work of the Remuneration and Human Resources Committee in 2021 is set out in the corporate governance report, which is available on p. 92 in the Annual report 2021.

Remuneration of the Board of Directors (Board) is not covered by this Report. Board remuneration is resolved on annually by the Annual General Meeting and disclosed in note 8c on p. 138-139 in the Annual report 2021. No other remuneration than board fees have been paid to the board members during 2021.

The Guidelines adopted by the Annual General Meeting 2020 can be found on SEB's website [www.sebgroup.com](http://www.sebgroup.com). There have been no deviations from the procedure for the implementation of the Guidelines and no derogations from the application of the Guidelines in 2021.

The auditor's report stating that SEB has complied with the Guidelines is available on SEB's website [www.sebgroup.com](http://www.sebgroup.com).

In addition to remuneration covered by the Guidelines, the Annual General Meeting 2021 resolved to implement Long-term equity programmes which can be found on SEB's website [www.sebgroup.com](http://www.sebgroup.com).

Key developments and the overall performance of SEB in 2021 is set out in the Annual report 2021.

#### The Guidelines: scope, purpose and deviations

The Board of SEB has established a Remuneration and Human Resources Committee (RemCo) that continuously monitors and evaluates, *inter alia*, the current remuneration structure and levels of remuneration in the Bank. The Guidelines for salary and other remuneration for the President and

members of the Group Executive Committee (together the Executives) are evaluated continuously throughout the year. In order to carry out the evaluation, RemCo collects information from the Head of Group Human Resources, the President and the external auditors. The internal and external information facilitates to ensure that the remuneration in SEB is in line with market conditions and is competitive. Further, comparative benchmarks of relevant industries and markets are carried out annually in order to determine what constitutes a total level of remuneration in line with market conditions and in order to evaluate current remuneration levels. The results of such benchmarks form an important component when determining the total remuneration for the Executives and other employees.

RemCo has also in consultation with the Risk and Capital Committee (RCC) reviewed that the incentive structure based on the Bank's Remuneration Policy takes into account risk, capital and liquidity on the basis of among other things a Risk Analysis performed jointly by Group Risk and Group Compliance.

SEB aims to attract and retain committed and competent employees who contribute to the Bank's long-term success. Employee remuneration shall encourage high performance, sound and responsible behaviour and risk-taking that is aligned with SEB's values and the level of risk tolerance set by the Board. It shall promote the employees' long-term commitment to create sustainable value for customers and shareholders. Remuneration is based on experience, responsibility and performance. Performance is evaluated on the basis of financial and non-financial goals, with SEB's values as a starting point.

Remuneration shall be competitive in the markets and segments where SEB operates in order to reward high performing employees. SEB's competitors consist of both local and regional financial institutions as well as global firms in the markets on which SEB operates.

SEB's remuneration structure for the Executives shall be on market terms and may consist of base pay (fixed cash salary), pension benefits and other benefits. Additionally, the Annual General Meeting may – irrespective of the Guidelines – resolve on, among other things equity-based remuneration. The total remuneration shall reflect the complexity, responsibility and leadership skills required as well as the performance of the individual Executive. The remuneration structure does not include cash-based variable remuneration.

SEB complies with the Swedish Financial Supervisory Authority (FSA) regulations on remuneration in financial companies, the Swedish Corporate Governance Code and Swedish and international regulations and guidelines in relevant parts. According to the regulations, the Bank shall identify categories of staff whose professional activities have a material impact on the SEB Group's risk profile (Identified staff). The categories of staff have been identified based on (i) a risk analysis and, (ii) by guidance in the rules and regulations which set forth the qualitative and quantitative criteria to be measured. The Executives are included in the Identified staff category.

The Board's view is that the remuneration for the President and the Executives strikes an appropriate balance between motivating the President and the Executives and achieving a long-term, well-balanced and competitive remuneration. The total remuneration of the President and the Executives during 2021 has complied with the Guidelines. There are no deviations from the

procedure for the implementation of the Guidelines and no derogations from the application of the Guidelines in 2021 to report.

There has been no use of the right to reclaim variable remuneration in 2021.

*Total remuneration of the President (KSEK) and deputy CEOs*

Name and position	Financial year	1 Fixed remuneration		2 Variable remuneration <sup>1</sup>		3 Extraordinary items	4 Pension expense <sup>3</sup>	5 Total remuneration	6 Proportion of fixed and variable remuneration
		Base salary	Other benefits <sup>2</sup>	One-year variable	Multi-year variable				
Johan Torgeby, President	2020	12 500	385	N/A	0	N/A	4 000	16 885	100% fixed remuneration
	2021	12 500	181	N/A	2 512	N/A	4 000	19 193	87% fixed remuneration
Magnus Carlsson, Deputy CEO	2020	9 000	472	N/A	2 089	N/A	N/A	11 561	82% fixed remuneration
	2021	9 000	455	N/A	2 753	N/A	N/A	12 207	77% fixed remuneration
Mats Torstendahl Deputy CEO	2021	9 500	384	N/A	N/A	N/A	1 377	11 260	100% fixed remuneration

**Long-term equity-based programmes**

In addition to remuneration covered by the Guidelines, the Annual General Meetings of SEB have resolved to implement Long-term equity-based programs. Equity-based remuneration is a means to attract and retain staff with key competences in SEB. It is also an incentive for the employees to become shareholders of SEB, which builds and strengthens long-term commitment in the interests of the shareholders. Furthermore, regulatory requirements for financial institutions demand that variable remuneration to a large extent is paid out in equity or equity-related instruments. The final outcome is subject to risk adjustment.

The President participates in the SEB Share Deferral Programmes 2018-2021 that was allotted in the current position and that have remaining vesting or other conditions before becoming fully

<sup>1</sup> The President and Deputy CEOs have no cash-based or one-year variable remuneration. Only variable remuneration allocated for the position as President and Deputy CEOs is included. The vested programme for the President was granted in 2018 at a grant value of SEK 1,350k. The value of the vested programmes is based on the SEB-A share price on 1 April 2021, i.e. SEK 107.

<sup>2</sup> Other benefits consist of vacation allowance, car and travel related benefits, interest subsidy, insurances and meals.

<sup>3</sup> The pension expense reflects the premium pension contributions allocated for 2021 Interest cost for benefit pension plans prior to the appointment as President is not included. The Magnus Carlsson has no pension accruals, but receives pension payments from previous accruals which is not included since it is not related to the current position or work performed in 2021.

exercisable. The Deputy CEOs have no variable remuneration components in their current positions. Magnus Carlsson participated in the Share Deferral Programmes until the 2017 programme.

The Share Deferral Programmes are performance based with pre-determined quantitative performance criteria. The participants are granted an initial number of conditional share rights. Each share right entitles to an SEB A-share subject to the fulfilment of certain vesting, restriction and holding requirements. The vesting of the share rights is normally conditional upon maintained employment during a three-year period. 50 per cent of the share right are subject to a risk adjustment three years after the initial allotment, and the remaining 50 per cent after five years. These restriction periods are followed by a mandatory one-year holding period. The programmes allow for risk adjustment for current as well as future risks and the final outcome may therefore be cancelled partly or entirely in accordance with regulations, among other things taking the Bank's result and capital and liquidity required in the business into account. Further information on the long-term equity programmes such as outcome, participation ratio, and number of issued and outstanding instruments etc. are found in the Annual Report 2021.

The Board's view is that the Share Deferral Programmes fulfil the function to attract and in the long run retain the most qualified and committed President and that it strengthens the long-term commitment in the interests of the shareholders.

#### Remuneration of the President in shares<sup>4</sup>

The main conditions of share award plans					Information regarding the reported financial year					
					Opening balance	During the year		Closing balance		
1	2	3	4	5	6	7	8	9	10	11
Specification of plan	Performance period	Award date	Vesting Date	End of retention period	Shares held at the beginning of the year	Shares awarded	Shares vested	Shares subject to a performance condition	Shares awarded and unvested at year end	Shares subject to a retention period
SDP 2018	Q2-Q4 2017	2018	2021	2022	23 478		23 478			23 478
	Q2-Q4 2017	2018	2023	2024	23 478				23 478	
SDP 2019	2018	2019	2022	2023	35 906				35 906	
	2018	2019	2024	2025	35 906				35 906	
SDP 2020	2019	2020	2023	2024	37 626				37 626	
	2019	2020	2025	2026	37 626				37 626	
SDP 2021	2020	2021	2024	2025		31 569			31 569	
	2020	2021	2026	2027		31 569			31 569	
					TOTAL 194 020	TOTAL 63 138	TOTAL 23 478	TOTAL	TOTAL 233 680	TOTAL 23 478

<sup>4</sup> Only shares allocated in the position as President are included in the table.

### Remuneration of the Deputy CEO in shares<sup>5</sup>

The main conditions of share award plans					Information regarding the reported financial year					
					Opening balance	During the year		Closing balance		
1 Specification of plan	2 Performance period	3 Award date	4 Vesting Date	5 End of retention period	6 Shares held at the beginning of the year	7 Shares awarded	8 Shares vested	9 Shares subject to a performance condition	10 Shares awarded and unvested at year end	11 Shares subject to a retention period
SDP 2015	2014	2015	2018	2019	22 086					
	2014	2015	2020	2021	22 086					
SDP 2016	2015	2016	2019	2020	27 117					
	2015	2016	2021	2022	27 117		27 117			27 117
SDP 2017	2016	2017	2020	2021	10 284					
	2016	2017	2022	2023	10 284				10 284	
					TOTAL 118 974	TOTAL	TOTAL 27 117	TOTAL	TOTAL 10 284	TOTAL 27 117

### Application of performance criteria

The performance measures for the President's remuneration have been selected to deliver SEB's strategy and to encourage behaviour which is in the long-term interest of SEB. In the selection of performance measures, the strategic objectives and both short- and long-term business priorities for 2021 have been taken into account. The financial performance evaluation includes factors such as SEB's profitability and cost management. The non-financial performance evaluation includes the development of e.g. customer satisfaction, the employee's engagement and the IT and digitalisation agenda. Further, they include measures to strengthen SEB's sustainability and conduct. The evaluation of the President is made in a multi-year perspective without a relative weighting of the different performance criteria, rather an aggregated and holistic evaluation of the performance relative the three-year business plan. This resonates well with the remuneration structure of the President, which is based on a pre-defined and communicated total target fixed pay, including the allocation of deferred and conditional shares to secure long-term alignment with the shareholders. The actual annual allocation level of the shares is not expected to deviate from the communicated target level, but allows for an adjustment (both up and down). It also allows for reclaim in extraordinary situations.

<sup>5</sup> Only shares allocated to Magnus Carlsson in his position as Deputy CEO are included in the table.

Focus areas	Measurements (selected)	Description (examples)
Financial	<ul style="list-style-type: none"> <li>• Operating income, cost &amp; profit</li> <li>• RoE</li> </ul>	Measured as long-term development, vs set targets in the business plan and vs peers
Customer satisfaction	<ul style="list-style-type: none"> <li>• Customer satisfaction</li> </ul>	Measured as e.g. external ratings & league table positioning
ESG	<ul style="list-style-type: none"> <li>• Sustainability</li> <li>• People</li> <li>• Risk, Compliance &amp; Conduct</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable finance &amp; investments and reduced direct impact on carbon emissions</li> <li>• Employee engagement and gender balance in different employee categories</li> <li>• Mandatory trainings, transaction monitoring &amp; reporting</li> </ul>

The Deputy CEOs are not eligible for variable remuneration.

### **Comparative information on the change of remuneration and company performance (MSEK)**

	2021	2021 vs 2020
Johan Torgeby	19.2	+ 2.3 (+14%)
Magnus Carlsson	12.2	+ 0.6 (6%)
Group Operating profit (excl. Items Affecting Comparability)	30,864	+10,018 (+48%)
Group Return on Equity, % (excl. excl. Items Affecting Comparability)	13.9%	+3.6 (+35%)
Average remuneration per FTE <sup>6,7</sup>	0.86	+0.02 (2%)

Stockholm in February 2022

### **Skandinaviska Enskilda Banken AB (publ)**

#### THE BOARD OF DIRECTORS

<sup>6</sup> The President's remuneration is excluded but the other members of the Group Executive Committee are included.

<sup>7</sup> The remuneration is calculated based on SEB's Swedish employees in 2021 and includes the estimated premium pension contribution according to the BTP-1 plan for an employee at the average base salary level, participation in SEB All Employee Programme, paid out short- and vested long-term individual performance based variable remuneration in 2021 and the estimated value of other benefits such as subsidised meals, vacation allowance and health promoting benefits