



“The trust that our shareholders, customers, and other stakeholders place in us forms the very foundation of our business. We do our utmost to nurture that trust in all parts of SEB’s business and in all countries where we operate. On behalf of the Board of Directors, I want to stress that SEB attaches great importance to having high standards of corporate governance, compliance and risk management. This includes our responsibility to counter money laundering and other financial crime, where we are continuously developing our abilities. We always strive to adhere to the changing regulatory landscape and our own internal standards to continue to earn the trust of all our stakeholders.”

Marcus Wallenberg, Chair, Board of Directors

## Corporate governance

To maintain the important societal function as a bank, it is of utmost importance for SEB that customers, shareholders, employees and other stakeholders have great confidence and trust in the bank’s operations. Professional employees who are guided by a high standard of business conduct are crucial, as is maintaining a sound risk culture. A robust corporate governance framework with clearly defined roles and responsibilities and internal control helps prevent conflicts of interest.

### Rules and regulations

As a Swedish public limited liability financial institution with securities listed on Nasdaq Stockholm, SEB is subject to numerous rules and regulations. The external framework for corporate governance includes the following rules and regulations:

- Companies Act
- Annual Accounts Act
- Nasdaq Stockholm Issuer Rules
- Swedish Corporate Governance Code
- Banking and Financing Business Act
- Rules and guidelines issued by the Swedish Financial Supervisory Authority and other authorities.

SEB also adheres to an internal framework that includes, among other things, the Articles of Association, which are adopted by the general meeting of shareholders. Policies and instructions that define the division of duties within the Group are tools for the Board of Directors (the Board) and the President and Chief Executive Officer (the President) in their governing and controlling roles. Such policies and instructions include, among others:

- The Board’s Rules of Procedure and the Instructions for the board committees
- Instructions for the President and the Group’s Corporate Governance
- Group Credit Instruction and Risk Policy
- Instruction for Handling of Conflicts of Interest
- Policy on Anti-Money Laundering and Combating Financing of Terrorism<sup>1)</sup>
- Code of Conduct<sup>1)</sup>
- Remuneration Policy
- Information Security Policy
- Corporate Sustainability Policy<sup>1)</sup>
- Inclusion & Diversity Policy<sup>1)</sup>
- Policies on Suitability, Diversity and Composition of the Board, the Group Executive Committee (GEC) and other key function holders.

1) See [sebgroup.com](http://sebgroup.com)

SEB’s ethical and sustainability endeavours are an integral part of the business and are regularly included on the Board’s agenda. SEB’s Code of Conduct describes the bank’s values, ethics and standards of business conduct and provides guidance on how employees are to abide by these values. Policies and instructions for sustainability and group-wide thematic and sector policies addressing environmental, social and governance issues are also of vital importance.

This Corporate Governance Report has been prepared in accordance with the Annual Accounts Act and the Swedish Corporate Governance Code (the Code). SEB strives to follow the Code where appropriate and has no deviations to report for 2021.

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

## Shareholders and general meetings of shareholders

*The shareholders exercise their influence at general meetings of shareholders by, among other things, electing directors of the Board and the external auditor.*

SEB has approximately 267,000 shareholders. SEB's share capital consists of two classes of shares – A shares and C shares. Each Class A share carries one vote and each Class C share carries one-tenth of a vote.

The Annual General Meeting (AGM) of shareholders is held in Stockholm, in Swedish. All shareholders listed in the shareholder register who have duly notified their attendance have the right to participate at the AGM and to vote for the full number of their shares. Shareholders who cannot attend may appoint a representative. The 2021 AGM was held on 30 March at the bank's head office in Stockholm. As a safety measure to prevent the spread of Covid-19, the AGM was conducted without the physical presence of shareholders and members of the Board of Directors other than the Chair and the President. The shareholders were able to exercise their voting rights by post and submit questions in writing prior to the AGM in accordance with Section 22 of the Act (2020:198) on Temporary Exemptions to Facilitate the Execution of General Meetings in Companies and Associations.

A total of 934 shareholders, representing 61 per cent of the votes, were represented at the AGM. Central resolutions made at the AGM were:

- approval of an ordinary dividend of SEK 4.10 per share
- re-election of nine directors
- re-election of Marcus Wallenberg as Chair of the Board
- re-election of Ernst & Young AB as external auditor
- approval of the Board's Remuneration Report 2020
- adoption of three long-term equity programmes
- issuance of a mandate to the Board concerning purchases and sales of own shares for SEB's securities business, for the long-term equity programmes and for capital management purposes
- authorisation for the Board to decide on the issuance of convertibles
- amendment of the Articles of Association.

An Extraordinary General Meeting (EGM) was held on 12 November 2021. The shareholders were able to exercise their voting rights by post and submit questions in writing prior to the EGM in accordance with the exemption, Section 22 of the Act (2020:198), mentioned above. A total of 1,037 shareholders, representing 70 per cent of the votes, were represented at the EGM. The central resolution made at the EGM was the approval of a further ordinary dividend of SEK 4.10 per share.

→ The minutes from the AGM and the EGM are available on [sebgroup.com](http://sebgroup.com)

### The largest shareholders

31 December 2021

	No. of shares	Of which Class C shares	Share of capital, %	Share of votes, %	
				2021	2020
Investor AB	456,198,927	4,000,372	20.8	20.8	20.8
Alecta	124,040,886		5.7	5.7	6.6
Trygg Foundation	108,441,911		4.9	5.0	5.2
AMF	89,098,313		4.1	4.1	3.7
Swedbank Robur Fonder	88,857,234		4.0	4.1	3.9
BlackRock	57,142,202	144	2.6	2.6	2.6
SEB Funds	44,675,056		2.0	2.1	2.1
Vanguard	44,063,409	244,317	2.0	2.0	1.9
SEB own shareholding <sup>1)</sup>	37,754,605		1.7	1.7	1.5
Handelsbanken Funds	35,402,554		1.6	1.6	1.5
Nordea Funds	24,161,610		1.1	1.1	0.7
Capital Group	23,317,185		1.1	1.1	0.3
Fourth AP funds	22,938,845		1.0	1.1	1.3
Harding Loevner	21,743,961		1.0	1.0	0.0
Bank of Norway	19,427,461	29,372	0.9	0.9	0.6

1) See table Number of outstanding shares on p. 75.

Source: Euroclear and Holdings.

Different voting power of class A shares (voting power 1) compared to C shares (voting power 0.1) gives minor differences in share of votes vs. share of capital.

The majority of the bank's approximately 267 000 shareholders are private individuals with small holdings. The ten largest shareholders account for 50 per cent of the capital and votes.

### Distribution of shares by size of holding

31 December 2021

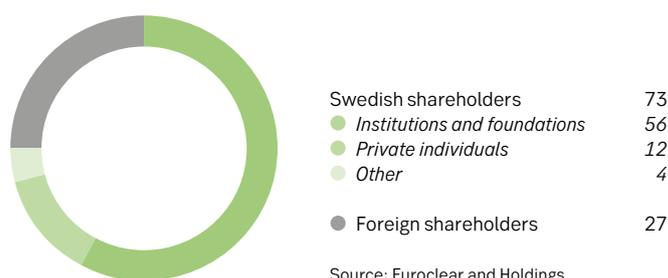
Size of holding	No. of shareholders	No. of shares	Per cent
1–500	176,271	30,059,472	1.4
501–1,000	38,410	29,222,920	1.3
1,001–5,000	42,861	94,104,210	4.3
5,001–10,000	5,737	40,932,744	1.9
10,001–20,000	2,276	31,913,381	1.5
20,001–50,000	1,076	33,022,722	1.5
50,001–100,000	287	20,369,123	0.9
100,001–500,000	269	60,043,327	2.7
500,001–1,000,000	53	37,055,072	1.7
1,000,001–	107	1,817,448,831	82.8
<b>Total</b>	<b>267,347</b>	<b>2,194,171,802</b>	<b>100.0</b>

Source: Euroclear and Holdings

### Shareholder structure

Per cent

Percentage holdings of equity on 31 December 2021

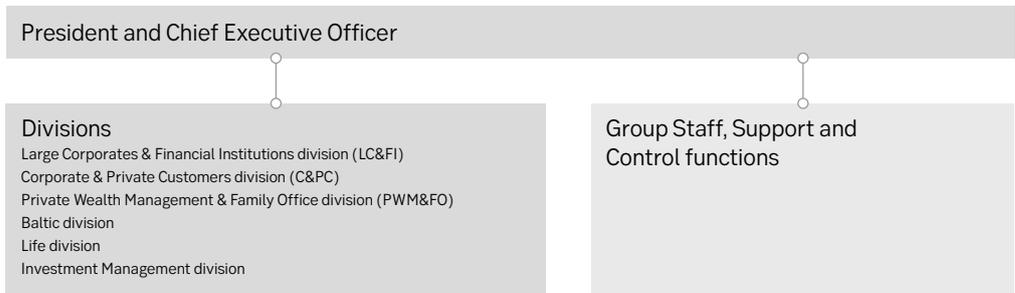


## Corporate governance structure

SEB's business operations are managed, controlled and followed up in accordance with policies and instructions established by the Board and the President.



## SEB's organisation



## Nomination Committee

The primary task of the Nomination Committee is to submit recommendations to the AGM for the Chair and directors of the Board as well as the external auditor.

The Nomination Committee nominates the Chair, the directors of the Board and the external auditor and makes recommendations regarding directors' fees and fees for committee work.

Pursuant to a decision by the AGM, the Nomination Committee is to be composed of the Chair of the Board along with representatives of the bank's four largest shareholders that are interested in appointing a member. One of the independent directors shall be appointed as an additional member of the Nomination Committee.

The composition of the Nomination Committee meets the requirements laid out in the Code. The Nomination Committee has access to relevant information about SEB's operations and financial and strategic position, provided by the Chair of the Board and the additional member.

The Board's composition shall adhere to applicable laws and regulations and to the Policy on Suitability, Diversity and Composition of the Board of Directors, adopted by the Board. An important principle is that the Board's size and composition shall be such as to serve the bank in the best possible way. Therefore, as the starting point for its work, the Nomination Committee is tasked with assessing the degree to which the Board meets the demands that will be placed on the Board in view of the bank's operations, organisation and future direction.

The Board's size and composition is discussed and reviewed in terms of suitable competence and experience in the financial sector as well as in other sectors. In addition, the directors

## Nomination Committee for the 2021 AGM

Member	Representing	Votes (%) 31 Aug. 2021
Petra Hedengran, <i>chair</i>	Investor	20.8
Magnus Billing	Alecta	6.6
Lars Heikensten	Trygg Foundation	5.2
Johan Sidenmark	AMF	3.8
Marcus Wallenberg	SEB, Chair of the Board	
		<b>36.4</b>

Jesper Ovesen, additional member, appointed by the Board. Swedbank Robur Funds, which was the bank's fourth largest shareholder, did not appoint a member of the Nomination Committee.

should have sufficient time to perform their duties and understand the bank's business and its main risks. The Nomination Committee also reviews the evaluations of the Board's directors and Chair.

→ See p. 98.

The Nomination Committee shall ensure diversity within the Board in terms of the directors' educational and professional backgrounds, gender, age and geographical provenance.

Furthermore, the Nomination Committee discusses succession matters with particular emphasis on continuity and long-term perspective in ensuring the Board's competence and composition. The Nomination Committee for the 2021 AGM was appointed in the autumn of 2020. No fee has been paid to the members of the Nomination Committee.

→ The Nomination Committee's proposals for decisions, including a motivated account as regards directors, are available on [sebgroup.com](http://sebgroup.com).

## Board of Directors

*The Board has overarching responsibility for the organisation, administration and operations of the SEB Group.*

The Board has adopted Rules of Procedure that regulate the Board's role and ways of working as well as special instructions for the Board's committees.

The Board has the following duties, among others:

- deciding on the objectives, strategy and framework of the business activities as well as the business plan
- regularly following up and evaluating operations in relation to the objectives and guidelines established by the Board
- ensuring that the business is organised in such a way that the accounting, treasury management and risks inherent in the business as well as financial conditions in other respects are controlled in a satisfactory manner, in accordance with external and internal rules
- adopting policies and instructions for the business operations
- deciding on major acquisitions and divestments as well as other major investments
- appointing or dismissing of the President, members of GEC, the Chief Risk Officer (CRO), and the Head of Group Internal Audit, as well as setting the remuneration for these individuals
- deciding on a framework for granting loans and other transactions with the directors of the Board and other persons in a managerial position in SEB and their related parties as well as deciding on such transactions.

The Chair of the Board organises and leads the work of the Board and ensures among other things that the directors on a regular basis receive information and education on changes in rules concerning the bank's operations and on responsibilities of directors of a listed financial company. Educational and specialisation seminars are held each year. New directors are offered educational seminars with information on, and discussions about, SEB's various operations, including control functions.

The directors are elected by the shareholders at the AGM for a one-year term. Since the 2021 AGM the Board shall consist of nine AGM-elected directors, without deputies, and of two directors along with two deputies appointed by the trade unions, who serve as employee representatives. In order for a quorum to exist at a board meeting, more than half of the directors must be present. The President is the only AGM-elected director employed by the bank. The Nomination Committee has made a collective assessment of the directors' independence in relation to the bank and the bank's management as well as in relation to shareholders controlling 10 per cent or more of the shares or votes and has found that the composition of the Board meets the requirements of the Code.

The Board's work follows a yearly plan. In 2021 the Board held 23 meetings. The President attends all board meetings except when they address matters in which the President has an interest that may be in conflict with the interests of the bank, such as when the President's work is evaluated. Other members of GEC participate whenever required.

## Directors' fees

*The AGM sets the total fees for the directors of the Board and decides how the fees are to be distributed among the directors and the Board's committees.*

Directors' fees are paid on a running basis during the mandate period. Following a recommendation by the Nomination Committee, the Board has adopted a policy that recommends that directors use 25 per cent of their fee to purchase and hold SEB shares up to an amount corresponding to one year's fee. Neither the President nor the directors appointed by the trade unions receive any directors' fee.

### On the Board's agenda in 2021

#### First quarter

- Annual and Sustainability Report 2020
- Balance sheet, capital and dividend matters
- CEO and GEC succession planning
- Internal and external audit reports as well as Group Compliance report
- Remuneration of the President, GEC and control functions
- LC&FI division expansion of geographical scope to the Netherlands, Austria and Switzerland
- Annual review of Instruction and Polices for the SEB Group, including adoption of new fossil fuel policy
- Cybersecurity review
- AGM notice and AGM proposals
- Statutory board meeting

#### Second quarter

- Governance and organisational changes, including establishment of a Fraud and Crime Prevention (FCP) unit
- SEB's long-term strategy
- General Data Protection Regulation requirements
- Governance of potential conflicts of interest within the Board
- Internal Capital and Liquidity Adequacy Assessment (ICAAP and ILAAP)
- Macroeconomic update
- Visit from the Director General of the Swedish Financial Supervisory Authority

#### Third quarter

- Risk seminar
- Update on the custody business area
- Update on digital assets (currencies)
- Update on sustainability work in SEB
- Update on SEB's long-term strategy
- Capital matters

#### Fourth quarter

- Capital distribution: Extraordinary General Meeting (dividend) and share buyback
- Business plan 2022–2024
- Board evaluation
- Employee survey
- Recovery and resolution plan
- Update on FCP organisation
- PWM&FO division strategic review
- Update on national security regulation

SEB's quarterly report, reports and a summary of SEB's risk position, asset quality, credit portfolio and liquidity position are on the Board's agenda each quarter.

## Board of Directors



	<b>Marcus Wallenberg</b>	<b>Sven Nyman</b>	<b>Jesper Ovesen</b>	<b>Signhild Arnegård Hansen</b>
<b>Position</b>	Chair since 2005	Vice Chair since 2017	Vice Chair since 2014	Director
<b>Committee</b>	Vice Chair RCC, ACC, RemCo	Member RCC	Chair RCC, member ACC	Chair RemCo
<b>Year elected</b>	2002	2013	2004	2010
<b>Born</b>	1956	1959	1957	1960
<b>Education</b>	B.Sc. (Foreign Service)	B.Sc. (Business and Econ.)	B.Sc. (Econ.) and MBA	B.Sc. (Human Resources) and journalism studies
<b>Other assignments</b>	Chair of Saab and FAM. Vice Chair of Investor, EQT and the Knut and Alice Wallenberg Foundation. Director of AstraZeneca Plc. Member of the International Advisory Council of Hong Kong Exchanges and Clearing Limited until May 2022.	Director of Investor, Ferd Holding AS (Norway), Nobel Foundation's Investment Committee, Stockholm School of Economics, Stockholm School of Economics Association and of Axel and Margaret Ax:son Johnson's Foundation.		Chair of SnackCo of America Corp. Chair of the Swedish-American Chamber of Commerce (USA). Director of SOS Children's Villages Sweden and SACC New York. Director of the Royal Swedish Academy of Engineering Sciences (IVA).
<b>Background</b>	Chair of Electrolux, International Chamber of Commerce (ICC) and LKAB. Director of EQT Holdings, Stora Enso and Temasek Holdings. Executive Vice President of Investor and CEO of Investor. Several assignments as chair and director of large public companies.	Broad experience from the financial business field. Managerial positions within Investor. CEO and founder of RAM Rational Asset Management, Lancelot Asset Management and Arbitech. Several directorships.	Price Waterhouse. Vice President and later CEO of Baltica Bank A/S. Vice President and Head of Finance of Novo Nordisk A/S. CEO of Kirkbi Group. CFO of Danske Bank A/S, LEGO Holding A/S and TDC A/S. Several directorships.	President of the family-owned company Svenska LantChips. Chair of the Confederation of Swedish Enterprise. Vice Chair of Business Europe. Director of Business Sweden, Entrepreneurship and Small Business Research Institute (ESBRI). Several directorships.
<b>Nationality</b>	Swedish	Swedish	Danish	Swedish and American
<b>Own and closely related persons' shareholdings</b>	752,000 A shares	10,440 A shares and 10,200 C shares	25,000 A shares	5,387 A shares
<b>Independent in relation to bank/major shareholders</b>	Yes/No	Yes/No	Yes/Yes	Yes/Yes
<b>Attendance at board/committee meetings<sup>1)</sup></b>	20 of 20 / 43 of 43	20 of 20 / 24 of 24	23 of 23 / 35 of 35	23 of 23 / 10 of 10
<b>Fee, board meetings, SEK</b>	3,225,000	1,020,000	1,020,000	775,000
<b>Fee, committee meetings, SEK</b>	870,000	390,000	910,000	400,000

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



Anne-Catherine Berner	Winnie Fok	Lars Ottersgård	Helena Saxon	Johan Torgeby
Director	Director	Director	Director	Director (President and CEO)
Member RemCo	Member ACC		Chair ACC	
2019	2013	2019	2016	2017
1964	1956	1964	1970	1974
B.Sc. (Econ.) and MBA (Leadership)	Bachelor of Commerce. Fellow of CPA Australia and of Institute of Chartered Accountants in England and Wales. Associate member of Hong Kong Institute of Certified Public Accountants.	Technical College Exam (electrical engineering), Diploma in Management from The Open University Business School and numerous IBM internal training courses.	M.Sc. (Business and Econ.)	B.Sc. (Econ.)
Director of Calefactio Investments HoldCo, Calefactio Investments, CV VC AG (Switzerland), Avesco AG (Switzerland) and Värmevärden/Adven (Sweden/Finland). Chair of the board, and founder, of the Association for the Support of the New Children's Hospital in Helsinki.	Director of Geely Holding Group. Senior Advisor to WFAB.	Head of Market Technology, Nasdaq Inc. Chair and CEO of Nasdaq Technology. Deputy Director in EKO Respecta.	CFO of Investor. Director of Swedish Orphan Biovitrum.	Director of Mölnlycke Holding, Swedish Banker's Association, Institute of International Finance. Board member of Mentor Sweden, Council member of Finnish-Swedish Chamber of Commerce, Member of YPO Young Presidents' Organisation, LUSEM Advisory Board Lund University and IIEB (Institut International d'Études Bancaires).
Member of Finnish Parliament and Minister of Transport and Communications in the Finnish government. Director of Ilmarinen and Soprano Oyi. Several other assignments as Chair and Director.	Broad experience from the financial business field. Industrial advisor and senior advisor to Investor and Husqvarna. CEO and Senior Partner of EQT Partners Asia Ltd and CEO of New Asia Partners Ltd. Director of Volvo Cars Corporation and G4S plc.	Various leading positions in Nasdaq. Head of Sales for Market Technology at OMX. Various management positions within IBM for the Nordics and Europe, Middle East & Africa.	Financial analyst at Goldman Sachs and Investor, CFO at Synchron International and Hallvarsson and Halvarsson. Investment Manager at Investor.	Robur Asset Management and Morgan Stanley. Co-head of Large Corporates & Financial Institutions division.
Swiss and Finnish	British	Swedish	Swedish	Swedish
4,600 A shares	3,000 A shares	No shares	12,500 A shares	457,740 shares and share rights <sup>2)</sup>
Yes/Yes	Yes/Yes	Yes/Yes	Yes/No	No/Yes
23 of 23 / 10 of 10	22 of 22 / 8 of 9	22 of 22	20 of 20 / 9 of 9	23 of 23
775,000	775,000	— <sup>3)</sup>	775,000	—
200,000	280,000		445,000	

2) of which 5,826 A shares, 195,005 share rights and 256,909 conditional share rights.

3) Lars Ottersgård has declined his director's fee.

## Directors appointed by the trade unions



	<b>Anna-Karin Glimström</b>	<b>Charlotta Lindholm</b>	<b>Annika Dahlberg</b>	<b>Magnus Olsson</b>
<b>Position</b>	Director	Director	Deputy director	Deputy director
<b>Year elected</b>	2016	2015	2016	2020
<b>Born</b>	1962	1959	1967	1963
<b>Education</b>	University studies in mathematics, statistics and law.	LLB	University studies in working environment and labour law.	B.Sc. (Econ.)
<b>Other assignments</b>	Chair of Financial Sector Union in SEB and Financial Sector Union western section in SEB, Director EB-SB Fastigheter and EB-SB Holding.	Client executive at PWM & FO Banking Foundations. Chair of the Association of University Graduates at SEB. Director of the Foundation of Alma Detthows.	Employed at Finansförbundet at SEB. First deputy Chair of Financial Sector Union in SEB and Financial Sector Union regional club Storstockholm in SEB. Director of SEB's Aid and Education foundation.	Business advisor SEB Lund.
<b>Background</b>	Office manager and various other positions in SEB. Various specialist and leader roles within Trygg-Hansa. Director of SEB's Profit Sharing Foundation.	Various client responsibility positions in several divisions and subsidiaries in SEB. Client executive at Private Banking Foundations.	Employed at Fixed Income, Group Operations. Director of SEB's Profit Sharing Foundation and Result Premium Foundation.	Various positions at SEB, including Head of branch office, account manager Merchant Banking (MB), business manager MB, business advisor at branch offices.
<b>Nationality</b>	Swedish	Swedish	Swedish	Swedish
<b>Own and closely related persons' shareholdings</b>	No shares and 747 conditional share rights.	1,063 A shares and 747 conditional share rights.	No shares and 747 conditional share rights.	3,000 A shares and 747 conditional share rights.
<b>Attendance at board meetings</b>	21 of 23	23 of 23	18 of 18	17 of 18

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



Hans Ragnhäll

### Contact the Board of Directors

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

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

The Board uses an annual self-assessment method, which among other things includes a questionnaire, followed by discussions within the Board. Through this process the activities and work methods of the Board, the Chair of the Board and the respective committees are evaluated. Among the issues examined are:

- the extent to which the individual directors take an active part in board and committee discussions
- whether directors contribute independent opinions
- whether the meeting atmosphere is conducive to open discussions.

The outcome of the evaluation is presented to and discussed by the Board and the Nomination Committee. The evaluation process and its outcome contribute to further improvement of the Board's work and help the Nomination Committee determine the appropriate size and composition of the Board. Marcus Wallenberg does not participate in the evaluation of the Chair's work, which in 2021 was conducted by Vice Chair Jesper Ovesen. The Board evaluates the work of the President and GEC on a regular basis without participation of the President or any other member of GEC.

## Board committees

*The Board's overarching responsibility cannot be delegated. However, the Board has established committees to handle certain defined issues and to prepare such issues for decision by the Board.*

At present, there are three board committees: The Remuneration and Human Resources Committee (RemCo), the Audit and Compliance Committee (ACC), and the Risk and Capital Committee (RCC). These committees report to the Board on a regular basis. An important principle is that as many independent

directors as possible shall actively participate in the committee work. Neither the President nor any other officer of the bank is a member of the committees. The Chair of the Board serves as vice chair of the three committees. The committees are not composed of the same group of directors that forms another committee, and the bank occasionally rotates chairs and directors of the committees, taking into account the specific experience, know-ledge and skills that are individually or collectively required for the committees.

### Remuneration and Human Resources Committee (RemCo)



*RemCo prepares, for decision by the Board, appointments of the President and GEC members. The committee also develops, monitors and evaluates SEB's remuneration system, incentive models and risk adjustment, and evaluates SEB's talent, learning and succession planning activities.*

**Signhild Arnegård Hansen**  
Chair of RemCo

#### Main focus in 2021

- Follow-up of SEB's global talent management and succession planning for key executives
- Follow-up of SEB's work with inclusion and diversity
- Evaluation of variable remuneration programmes
- Monitor the progress of the SEB Campus competence platform.

→ See the Remuneration chapter on p. 106.

RemCo monitors and evaluates application of the guidelines established by the AGM for salary and other remuneration for the President and the members of GEC. An independent auditor's review on adherence to SEB's Remuneration Policy and applicable regulations is presented to the committee annually.

RemCo reviews, in consultation with RCC, the bank's Remuneration Policy and ensures that the bank's remuneration structure takes into account the risks and the cost of capital and liquidity. This review is based on, among other things, the risk analysis performed jointly by Group Risk and Group Compliance.

In addition, the committee oversees the Group's pension obligations and, together with RCC, the measures taken to secure the Group's pension obligations, including development of the bank's pension foundations. RemCo held 10 meetings in 2021.

It is primarily the President, together with the Head of Group HR, that submits reports for the Committee's consideration.

#### RemCo members

Signhild Arnegård Hansen (Chair), Marcus Wallenberg (Vice Chair) and Anne-Catherine Berner.

### Audit and Compliance Committee (ACC)



*ACC supports the Board in its work with quality assurance of, and internal control over, the bank's financial reporting and reporting to the supervisory authorities. ACC also monitors the effectiveness of internal controls regarding compliance and audit matters.*

**Helena Saxon**  
Chair of ACC

#### Main focus in 2021

- Follow-up of processes for internal control and regulatory compliance, for example in the newly established Group Internal Control and Compliance Committee.

When required, ACC prepares, for decision by the Board, a recommendation for the appointment or dismissal of the Head of Group Internal Audit. The committee maintains regular contact with the bank's external and internal auditors and discusses the coordination of their activities. The committee also ensures that any remarks and observations from the auditors are addressed, and evaluates the external auditor's work and independence. When required, a recommendation from the President on appointment or dismissal of the Head of Group Compliance is subject to the committee's approval.

ACC held 9 meetings in 2021. It is primarily the Chief Financial Officer, the external auditor, the Head of Group Internal Audit and the Head of Group Compliance who submit reports for the committee's consideration. In addition, the President and the CRO regularly participate in the meetings.

→ See p. 105 for the Report on Internal Control over Financial Reporting.

#### ACC members

Helena Saxon (Chair), Marcus Wallenberg (Vice Chair), Jesper Ovesen and Winnie Fok.

## Risk and Capital Committee (RCC)



*RCC supports the Board in its work on ensuring that SEB is organised and managed in such a way that risks inherent in the Group's business are monitored and managed in accordance with the Board's risk tolerance statement as well as with external and internal rules. RCC also monitors the Group's capital and liquidity situation on a continuous basis.*

**Jesper Ovesen**  
Chair of RCC

### Main focus in 2021

- Follow-up of SEB's capital and liquidity position in the light of the Covid-19 pandemic and the forthcoming banking reform packages, and of the business plan and economic forecast to ensure the bank has an adequate capitalisation and liquidity position at every point in time
- Review of the credit portfolio in the light of the Covid-19 pandemic, focusing on business sectors in transition as well as sustainability policies, such as policies related to fossil fuels.

RCC sets the principles and parameters for measuring and allocating risk and capital within the Group and oversees risk management systems and the risk tolerance and strategy for the short and long term. The committee prepares a recommendation for the appointment and dismissal of the CRO. It also decides on individual credit matters of major importance or of importance as to principles and assists RemCo in providing a risk- and capital-based view of the remuneration system. RCC held 26 meetings in 2021.

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

→ The CRO function is described on p. 104. Information on risk, liquidity and capital management is provided on p. 86.

### RCC members

Jesper Ovesen (Chair), Marcus Wallenberg (Vice Chair) and Sven Nyman.

## The President

*The President, who is also the Chief Executive Officer, is responsible for the day-to-day management of the activities of SEB in accordance with the Board's directives.*

The President shall ensure that SEB is organised in such a way that there is an appropriate and transparent governance structure with a clear division of functions and responsibilities that ensures efficient and sound governance of SEB. The President has overarching responsibility for SEB's risk management in accordance with the Board's policies and instructions as well as its intentions as stated in the Board's risk tolerance statements.

The Board has adopted an instruction for the President's duties and role. The President reports to the Board and at each board meeting submits a report on, among other things, the performance of the business, based on the decisions made by the Board. The President appoints the heads of the divisions and the heads of the various staff and support functions that report directly to the President.

### The President's committees

*The President has five main committees at his disposal for the purpose of managing the operations.*

#### The Group Executive Committee (GEC)

To best safeguard the interests of the Group as a whole, the President consults with GEC on matters of major importance or of importance as to principles. GEC addresses, among other things, matters of common concern to several divisions, strategic issues, issues in the areas of sustainability, IT and compliance, business plans and financial forecasts and reports. GEC held 34 meetings in 2021. GEC has 13 members apart from the President. The President has also appointed eight managers as additional members of GEC. They participate in GEC meetings from time to time to provide expertise and insight primarily in their respective areas of responsibility.

#### Asset and Liability Committee (ALCO)

ALCO, chaired by the President and with the Chief Financial Officer as vice chair, is a group-wide decision-making, monitoring and consultative body. ALCO, which held 8 meetings in 2021, handles the following matters, among others:

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

- Review of competence and leadership development
- Google Cloud partnership

#### Recurring agenda items

- Discussion on capital requirements, asset quality and risk
- Macroeconomic development
- Media update
- Review and discussions on IT, including investments, security, agile way of working and cloud services
- Review of the bank's business operations and home markets
- Savings, Technology and Business Support & Operations quarterly updates
- Review process for handling customer complaints
- Quarterly reports
- SEB's long-term strategy and follow-up of the business plan
- Chief Information Officer update

## On GEC agenda in 2021

### Non-recurring agenda items

- Annual accounts
- AGM preparations
- Annual review of policies and instructions, including SEB's Code of Conduct
- Development of sustainability
- Discussions on customer satisfaction, branding and image position as well as customer insight work
- Strategic Initiatives status update
- Employee survey 2021 – discussion of survey results and actions
- Financial crime prevention programme
- Money Laundering and Terrorist Financing Risk Assessment
- Investor World update
- Retail Sweden transformation
- Corporate Banking update

### Group Risk Committee (GRC)

GRC, chaired by the President and with the CRO as vice chair, is a group-wide decision-making committee that addresses all types of risk at the group level, including sustainability and reputational risks, in order to evaluate portfolios, products and customers from a comprehensive risk perspective. GRC held 67 meetings in 2021. GRC is tasked with:

- making important credit decisions
- ensuring that all risks inherent in the Group's activities are identified, measured, monitored and reported in accordance with internal and external rules
- supporting the President in ensuring that decisions regarding the Group's long-term risk tolerance are adhered to in the business organisation
- ensuring that the Board's guidelines for risk management and risk control are implemented and that the necessary rules and policies for risk-taking in the Group are maintained and enforced.

### Group Executive Sustainability Committee (GESC)

GESC, chaired by the President and with the Chief Sustainability Officer as vice chair, is a group-wide decision-making committee that addresses matters related to corporate sustainability activities in SEB. GESC held 9 meetings in 2021. GESC decides on the following matters in the corporate sustainability area to secure the best interest of the Group:

- matters that are to be presented to the Board
- matters of major importance or of importance as to principles
- matters of common concern to several divisions, Group Support functions or Group Staff functions
- SEB's sustainability-related policies
- Sustainability KPIs and targets for the divisions.

### Group Internal Control and Compliance Committee (GICC)

GICC is a newly established group-wide committee. GICC is a consultative forum for the President and is tasked with reviewing, assessing, and following up on reporting from Group Internal Audit and Group Compliance, and where relevant the CRO function, on issues regarding the effectiveness and appropriateness of the organisational structure, procedures, measures and methods in place to comply with the rules and regulations applicable to the regulated business. The President shall also decide on appropriate measures needed to remedy identified deficiencies in the reports from the control functions. GICC held 6 meetings in 2021.

## The three lines of defence in risk management

**The business units make up the first line of defence.** The business units ensure that transactions are correctly priced and that the assumed risks are managed throughout the life of the transactions. Long-term customer relationships and a sound risk culture provide a solid foundation for risk-taking decisions. Initial risk assessments are made of both the customer and the proposed transaction. Larger transactions are reviewed by a credit committee. The business units are responsible for ensuring that the activities comply with applicable group-wide policies and instructions and are supported by a clear decision-making hierarchy.

### The risk and compliance functions make up the second line of defence.

These units are independent from the business operations. The risk function is responsible for identifying, measuring, monitoring and reporting risks. Risks are measured both on detailed and aggregated levels. Internal measurement models have been developed for most of the credit portfolio as well as for market and non-financial risk,

### SEB External Sustainability Advisory Board (SESAB)

SEB's need to understand the direction and speed of sustainability-related change, including future opportunities and challenges, is very high. To address this need SEB has established an advisory board – the SEB External Sustainability Advisory Board (SESAB). The purpose of SESAB is to provide the bank with strategic intelligence in matters concerning sustainability from individuals outside the banking industry, based on academic research, and when desired, complemented with industrial experience. SESAB is composed of external experts by invitation of the President.

## Divisions

*SEB's business is organised in divisions with a number of business areas and business units.*

The Board regulates the activities of the Group through an instruction for internal governance which establishes how the Group's divisions, including the international activities conducted through branches and subsidiaries, are to be governed and organised. The head or co-heads of a division have overall responsibility for the activities in the division.

Country Managers are appointed for countries outside Sweden in which SEB conducts business operations. Country Managers coordinate the Group's business locally and reports to a specially designated member of GEC.

## Group Support functions and Group Staff functions

*The Group Support functions and Group Staff functions are cross-divisional functions established to leverage economies of scale and support to the business.*

The *Group Support functions* support the SEB Group through centralised and cross-divisional functions, established primarily to leverage economies of scale in various transactional, processing and IT services. The Group Support functions are divided into three units: Group Technology, Business Support & Operations and Sustainable Banking.

The *Group Staff functions* are set up to add value and support the business, and to manage certain regulated areas such as finance, human resources and legal affairs. The Group Staff functions have global responsibility and support the organisation with services in the areas of financial control, human resources, legal affairs, communication and marketing as well as financial crime prevention.

including regulatory compliance and the models have been approved by the Swedish FSA for calculating capital adequacy. Risks are controlled through limits at transactional, desk and portfolio levels. Asset quality and the risk profile are monitored continuously, such as through stress testing. The compliance function works proactively with quality assurance of SEB's compliance and focuses on matters such as customer protection, conduct in the financial market, prevention of money laundering and the financing of terrorism, and regulatory requirements and controls.

**Internal Audit is the third line of defence.** Risk management is regularly reviewed and evaluated by Internal Audit to ensure that it is adequate and effective. The internal auditors are in turn evaluated by the external auditor. Based on evaluations of the third line of defence, the processes in the first and second lines of defence are continuously strengthened. SEB's governance framework, sound risk culture and business acumen constitute the cornerstones of effective risk management.

## Group Executive Committee (as from 1 January 2022)

					
	<b>Johan Torgeby</b>	<b>Mats Torstendahl</b>	<b>Jonas Ahlström</b>	<b>Jeanette Almberg</b>	<b>Joachim Alpen</b>
<b>Position</b>	President and CEO since 2017	Deputy President and CEO since 2021. Group Data Privacy Senior Manager since 2018, Group AML Senior Manager since 2021	Co-head of the Large Corporates & Financial Institutions division since 2021	Head of Group Human Resources since 2016	Executive Vice President. Co-head of the Large Corporates & Financial Institutions division since 2014
<b>GEC member since</b>	2014	2009	2020	2016	2014
<b>SEB employee since</b>	2009	2009	2005	2008	2001
<b>Born</b>	1974	1961	1978	1965	1967
<b>Education</b>	B.Sc. (Econ.)	M.Sc. (Engineering Physics)	M. Sc. (Business and Econ.)	B.Sc. (Econ.)	MBA, M.A. (International relations)
<b>Nationality</b>	Swedish	Swedish	Swedish	Swedish	Swedish
<b>Own and closely related persons' shareholdings</b>	457,740 shares and share rights, of which 5,826 A shares, 195,005 share rights and 256,909 conditional share rights.	356,201 shares and share rights, of which 104,218 A shares, 57,606 share rights and 194,377 conditional share rights.	86,080 shares and share rights, of which 3,290 A shares, 30,646 share rights and 52,144 conditional share rights.	135,041 shares and share rights, of which 11,135 A shares, 32,130 share rights and 91,776 conditional share rights.	308,532 shares and share rights, of which 38,266 A shares, 100,315 share rights and 169,951 conditional share rights.
					
	<b>Mats Holmström</b>	<b>Peter Kessiakoff</b>	<b>Nina Korfu-Pedersen</b>	<b>Ulrika Areskog Lilja</b>	<b>Nicolas Moch</b>
<b>Position</b>	Chief Risk Officer since 2021	Acting Chief Financial Officer since 2021*	Head of Business Support & Operations since 2020	Head of Group Marketing and Communication since 2021	Chief Information Officer since 2018
<b>GEC member since</b>	2021	2021	2018	2021	2020
<b>SEB employee since</b>	1990	2016	2010	2021	2008
<b>Born</b>	1968	1986	1973	1975	1972
<b>Education</b>	Higher bank degree (SEB)	M.Sc (Business Admin)	Master of Business and Economics	M.Sc (Business Administration and Economics)	M.Sc.(Physics)
<b>Nationality</b>	Swedish	Swedish	Norwegian	Swedish	Swedish and French
<b>Own and closely related persons' shareholdings</b>	111,524 shares and share rights, of which 23,509 A shares, 198 C shares, 8,355 share rights and 79,462 conditional share rights.	45,412 shares and share rights, of which 241 A shares, 10,476 share rights and 34,695 conditional share rights.	74,977 shares and share rights, of which 1,278 A shares, 13, 838 share rights and 59,861 conditional share rights.	No shares or share rights.	59,520 shares and share rights, of which 241 A shares, 15,181 share rights and 44,098 conditional share rights.

\*Masih Yazdi was active in the position of Chief Financial Officer until 8 December 2021. He is currently on leave of absence.



	<b>William Paus</b>	<b>Jonas Söderberg</b>	<b>Petra Ålund</b>	<b>Niina Äikäs</b>
<b>Position</b>	Executive Vice President. Head of Private Wealth Management & Family Office division since 2021	Head of Corporate & Private Customers division since 2021	Head of Group Technology since 2019. Group Outsourcing Senior Manager since 2020	Head of Baltic division since 2021
<b>GEC member since</b>	2018	2021	2020	2021
<b>SEB employee since</b>	1992	1999	2017	2008
<b>Born</b>	1967	1976	1967	1968
<b>Education</b>	M.Sc. (Econ.)	B.Sc. (Int. Business Administration)	M.Sc. (Int. Economics)	M.Sc (Tech.)
<b>Nationality</b>	Norwegian	Swedish	Swedish	Finnish and American
<b>Own and closely related persons' shareholdings</b>	260,103 shares and share rights, of which 52,900 A shares, 21,739 share rights, 11,648 phantom share rights and 173,816 conditional share rights.	83,418 shares and share rights, of which 31,136 A shares, 16,352 share rights and 35,930 conditional share rights.	40,203 shares and share rights, of which 5,586 A shares, 2,281 share rights and 32,336 conditional share rights.	79,488 shares and share rights, of which 17,968 A shares, 14,080 phantom share rights, 25,743 conditional share rights and 21,697 conditional phantom share rights.

## Additional members of the Group Executive Committee

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

### Country managers



	<b>Johan Andersson</b>	<b>Anders Engstrand</b>	<b>Mark Luscombe</b>	<b>Marcus Nystén</b>	<b>John Turesson</b>
<b>Position</b>	Country Manager SEB Germany since 2016	Country Manager SEB United Kingdom since 2020	Country manager SEB Denmark since 2021	Country Manager SEB Finland since 2010	Country Manager SEB Norway since 2018
<b>SEB employee since</b>	1980	1995	2010	1998	2006
<b>Nationality</b>	Swedish	Swedish	British and Danish	Finnish	Swedish

### Heads of divisions



**Javiera Ragnartz**

**Position** Head of Investment Management division since 2019

**SEB employee since** 2019

**Nationality** Swedish



**David Teare**

**Position** Head of Life division since 2019

**SEB employee since** 2006

**Nationality** Canadian and British

### Key functions



**Hans Beyer**

**Position** Chief Sustainability Officer since 2020

**SEB employee since** 2002

**Nationality** Swedish

GEC changes in 2021: Jonas Ahlström replaced William Paus, Niina Äikäs replaced Jonas Ahlström, Ulrika Areskog Lilja replaced Karin Lepasoon, Mats Holmström replaced Magnus Agustsson. Magnus Carlsson was Deputy President and CEO and member of GEC during 2021.

## Group Control functions

The Group Control functions are global control functions independent from the business activities. The three Group Control functions are i) the CRO function, ii) Group Compliance and iii) Group Internal Audit.

### The CRO function



*The CRO function is responsible for identifying, measuring, analysing and controlling SEB's risks and is independent from the business.*

**Mats Holmström**  
Chief Risk Officer

The Chief Risk Officer (CRO) is appointed by the Board and reports to the President. The CRO keeps the Board, RCC, ACC, GEC, ALCO, GESC and GRC regularly informed about risk matters. The CRO has global functional responsibility, and the activities of the CRO are governed by an instruction adopted by the Board. The CRO function is organised in three units: Group Risk, Group Credits and CRO Office.

The main objective for Group Risk is to ensure that all risks in SEB's activities are identified, measured, monitored and reported in accordance with external and internal rules. The unit also manages models for risk measurement. The CRO Office aggregates and analyses data across risk types and the Group's credit portfolios and handles general matters surrounding risk governance and risk disclosure.

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

The Head of Group Risk and the Heads of Group Credits are appointed by the President, upon recommendation by the CRO, and report to the CRO.

→ For information about risk, liquidity and capital management, see p. 86.

### Group Compliance



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

**Gent Jansson**  
Head of Group Compliance

Group Compliance is independent from the business organisation. The Group Compliance function advises the business and management to ensure that SEB's business is carried out in compliance with regulatory requirements and thereby instil trust in the bank from customers, shareholders and the financial markets. Special areas of responsibility are:

- customer protection
- conduct in the financial market
- prevention of money laundering and financing of terrorism
- regulatory requirements and controls.

The Head of Group Compliance, who is appointed by the President after approval by ACC, reports regularly on compliance matters to the President, GEC and ACC, and annually to RCC and the Board. Based on an analysis of the Group's risks in this area, the President adopts, after approval by ACC, an annual compliance plan. The Instruction for Group Compliance is adopted by the Board.

### Group Internal Audit



*Group Internal Audit is a group-wide control function commissioned by the Board to independently evaluate the Group's activities. The Head of Group Internal Audit is appointed by the Board.*

**Björn Rosenkvist**  
Head of Group Internal Audit

The main task of Group Internal Audit is to evaluate and give assurance to the Board and the President that governance, risk management and internal controls are adequate and effective. The work is done with a risk-based approach in accordance with the Institute of Internal Auditors' methods.

Each year ACC adopts a plan for the work of Internal Audit. The Head of Internal Audit reports the findings of completed audits, actions taken and the status of previously reported findings to ACC and also provides reports to RCC and the Board. The President and GEC are regularly informed about internal audit matters. Group Internal Audit's work is evaluated in a quality assessment, at least every fifth year, by an independent party.

Group Internal Audit coordinates its work covering the bank's financial reporting with the bank's external auditor. The bank's external auditor relies to some extent on the work of Group Internal Audit in its assignment to review the Group's financial reporting. This requires that the external auditor evaluates Group Internal Audit's work. The conclusion of this evaluation is reported to ACC and Group Internal Audit.

### External Audit Auditor



*Born 1965. Lead Audit Partner since 2019. Authorised Public Accountant, member of FAR since 1992 and FAR Certified Financial Institution Auditor in Sweden.*

**Hamish Mabon**  
Auditor, Ernst & Young

### Other major assignments

Skanska, Essity and ASSA ABLOY

### Previous major assignments

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

### Information about the auditor

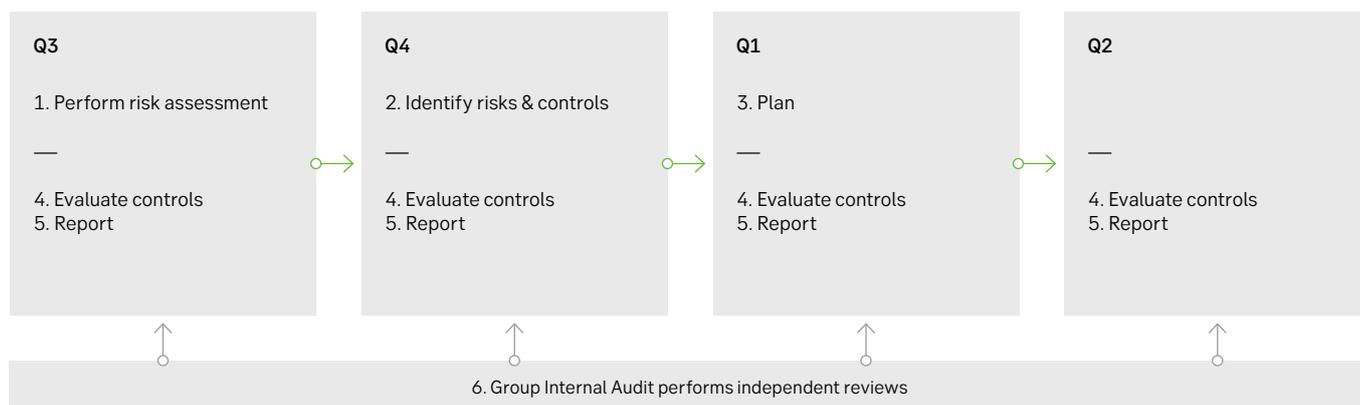
According to SEB's Articles of Association, the bank shall have at least one and not more than two auditors with at most an equal number of deputies. A registered auditing firm may also be appointed auditor. Ernst & Young AB was elected the bank's auditor in 2021 for the period up to and including the 2022 AGM.

→ The fees charged by the auditors for the auditing of the 2020 and 2021 financial statements and for other assignments invoiced during these periods are shown in note 9.

# Internal control over financial reporting

Internal Control over Financial Reporting (ICFR) is a well-established process designed to provide reasonable assurance regarding the reliability of financial reporting and reduce the risk for misstatements. ICFR is based on the framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and is applied by SEB in a yearly cycle.

## ICFR is an integrated part of daily operations



### 1. Perform risk assessment

To identify and understand which risks that are relevant and material for the reporting process, financial results and balance sheets are analysed at SEB Group and unit levels. The outcome is used to determine which units, processes and systems are to be covered by the ICFR process in the coming year.

### 2. Identify risks and controls

People with expertise in the divisions and finance department evaluate if existing controls are effective, if new risks have been identified and if new controls need to be implemented to mitigate the identified material risks more effectively. The controls are communicated to involved parties within the bank in order to clarify expectations and responsibilities. The framework consists of group-wide controls as well as controls covering business processes and IT – such as analysis of the balance sheet and income statement, account reconciliations and controls of system access rights.

### 3. Plan

Every year a plan is prepared based on the risk assessments and identified controls. The plan clarifies who is responsible for evaluating the respective controls within each unit, what type of evaluation should be conducted and how the results are to be reported. At this stage the plan is coordinated with the audit plans of internal and external audit.

### 4. Evaluate controls

The controls are evaluated on a continuous basis throughout the year by the control owners through self-assessments. In this way the bank's weaknesses can be identified, compensating controls can be implemented and improvements can be made. Furthermore, reporting is done quarterly by financial managers to give an assurance of the reported figures from each unit. The evaluation describes material financial reporting risks and comments on material deviations compared with previous quarters.

### 5. Report

The result of the evaluations of controls are analysed to assess the risk for misstatements in the financial reporting. Monitoring reports are submitted on a quarterly basis to the CFO in connection with the quarterly external financial reporting. Reporting is also done quarterly to Group Internal Audit and yearly to the Audit and Compliance Committee (ACC).

The consolidated ICFR report includes a description of residual risk, an assessment of identified control gaps and whether they are compensated by other controls as well as progress within the remediation activities. The report contributes to transparency within SEB and enables prioritisation of improvement activities based on residual risk.

### 6. Independent review

In addition to this process, Group Internal Audit performs independent reviews of the ICFR framework.

#### Focus area 2021

In addition to the ongoing work during 2021, the following main area was in focus within the internal control framework:

- Implementation of new controls to secure compliance with the European Single Electronic Format, ESEF.