

Remuneration

SEB aims to attract and retain ambitious employees who are eager to continuously develop, embrace new ways of working and contribute to the bank's long-term success. Remuneration is part of the total offering. The overall ambition is to promote long-term commitment to creating sustainable value for customers and shareholders.

Remuneration policy

SEB's remuneration principles and governance structure are laid out in the Remuneration Policy. The 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 level of risk tolerance set by the Board of Directors, and sound and responsible behaviour based on SEB's values.

An employee's remuneration shall reflect the complexity, responsibility and leadership qualities required of the role as well as the individual's own performance. SEB regularly evaluates employee performance and development based on transparent and individual financial and non-financial goals, among other things.

Employees in control functions shall be remunerated in a manner that is independent from the business areas they oversee, commensurate with their key roles, and be based on goals that are compatible with their functions.

The policy lays out the principles for identification and remuneration of employees in positions with a material impact on the Group's risk profile (Identified Staff). This also applies for employees who can impact the risk profiles of mutual funds, who provide investment advice, or who have a material impact on what services and products are offered. In 2021, a total of 917 positions (923) were categorised as Identified Staff.

The policy also sets the requirements for all remuneration decisions, both in general and at the individual level. All decisions are to be approved at least at a level corresponding to the remuneration-setting managers' manager (grandparent principle).

Remuneration structure

The bank's remuneration structure consists mainly of base salary, variable remuneration, and pension and other benefits.

Base salary

The base salary is the foundation of an employee's remuneration. It shall be market aligned and reflect the requirements on the position and the employee's long-term performance. SEB conducts annual equal pay reviews to identify and close potential gaps in terms of gender-neutral pay. The outcome of the review is published internally.

Variable remuneration

All variable remuneration is based on SEB's risk-adjusted performance and is adapted to applicable rules governing the maximum share of an employee's base salary, the deferred portion of remuneration, shares and fund units, and the right to withhold and reduce remuneration that has not yet been paid. For Identified Staff, variable remuneration may not exceed 100 per cent of their base salary.

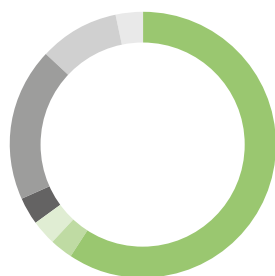
The models for individual variable remuneration are based on financial and non-financial key performance indicators at group, unit and individual level, including an evaluation of the employees' conduct. Non-financial goals take into account factors such as customer satisfaction, compliance and sustainability performance related to, for example, the bank's own environmental impact and integration of sustainability risks into the business model. In 2021, SEB established new sustainability ambitions and goals for 2022 which will be part of the criteria for potential allocation of the programmes, as applicable. At the individual level, key parameters include compliance with rules and policies for risk-taking in the Group, SEB's Code of Conduct and the requirements on internal controls in the respective business area. Performance is evaluated over several years.

Collective profit-sharing

The largest variable remuneration programme is the SEB All Employee Programme 2021 (AEP), which covers essentially all employees. The programme's targets are linked to SEB's business plan and consist of the financial targets for return on equity and the bank's cost development, which are also communicated externally, and the non-financial target for customer satisfaction. The outcome for 2021 was determined to be 66.7 per cent (44.7) of the maximum amount, which in Sweden is SEK 75,000. The higher outcome compared with last year reflects the

Staff costs, 2021

SEK m



● Base salary	9,124
● Equity-based programmes	414
● Individual cash-based variable remuneration	458
● All Employee Programme	550
● Social charges	2,848
● Pensions	1,489
● Other staff costs	489
Total	15,372

All Employee Programmes (AEP)

	2021 ¹⁾	2020 ²⁾
Number of participants	15,570	15,540
Outcome in relation to maximum amount ³⁾ , %	66.7	44.7
Shares allotted, thousands	2,445	2,388
Market value per 31 December, SEK m	308	202
Total outcome per participant ⁴⁾ , SEK	50,000	33,500

Payout year: 1) 2025 2) 2024 3) SEK 75,000 in Sweden 4) in Sweden.

SEB Restricted Share Programmes and Share Deferral Programmes

	2021			2020		
	Restricted Share Programme	Share Deferral Programme	Total	Restricted Share Programme	Share Deferral Programme	Total
Number of participants	441	1,062	1,503	437	922	1,359
Shares allotted, thousands	926	3,063	3,989	1,350	4,182	5,532
Market value, 31 December, SEK m	117	385	502	114	353	467

Remuneration in SEB in 2021

SEK thousands

	Base salary	Cash-based variable remuneration	Expensed amount equity based programmes	Benefits	Total	Pensions
President and CEO Johan Torgeby ¹⁾	12,500		4,308	181	16,989	4,104
Other ordinary members of GEC ²⁾	78,301		17,762	2,111	98,174	20,803
Total	90,801	0	22,070	2,292	115,163	24,907
SEB excluding GEC	9,032,808	735,574	664,778	59,984	10,493,143	1,464,163
SEB Total	9,123,609	735,574	686,848	62,276	10,608,306	1,489,070

1) Johan Torgeby did not exercise any share rights in 2021.

2) The number and composition of members may differ somewhat during the year. At the end of the year, the number of members was 14. During the year Other ordinary members of GEC have exercised rights to a value of SEK 38,407,139.

stronger financial result, an excellent customer satisfaction development and a cost level close to the set target. Also, the employees extraordinary efforts in supporting the customers and each other under severe conditions has been taken into account.

Individual variable remuneration

Senior managers, other key employees and employees in certain business units where it is standard market practice, are offered individual variable remuneration. The ambition is that part of the remuneration is deferred and paid out in SEB shares. 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 addition, financial industry regulations require that a portion of variable remuneration is paid out in the form of shares or fund units.

SEB has two individual equity-based programmes – the SEB Share Deferral Programme 2021 for members of the Group Executive Committee, certain other senior managers and a number of other key employees, and the SEB Restricted Share Programme 2021, for employees in certain business units. For regulatory reasons, the latter programme also exists in a form where the outcome is linked to the performance of mutual funds. Both programmes include scope for risk adjustment for current and future risks. The final outcome may subsequently be reduced or cancelled entirely in accordance with applicable rules, such as taking into account the bank's earnings and the capital and liquidity required for its operations. Approximately 12 per cent of employees are offered individual variable remuneration.

Approximately 7 per cent of the employees – such as those in investment banking – receive variable remuneration with a cash component, but only in cases where it entails low or no residual risk for SEB. Variable remuneration above a certain level is always partly deferred and revocable.

In 2021, individual cash-based variable remuneration accounted for approximately 4 per cent (3) of SEB's total staff costs.

Remuneration of the President and members of the Group Executive Committee

Remuneration of the President and CEO as well as members of the Group Executive Committee (GEC) shall be in line with the guidelines set by the Annual General Meeting (AGM) and consists of base salary, equity-based remuneration (the SEB Share Deferral Programme), pension and other benefits. No cash-based variable remuneration is paid to members of GEC, nor are they eligible for the SEB All Employee Programme.

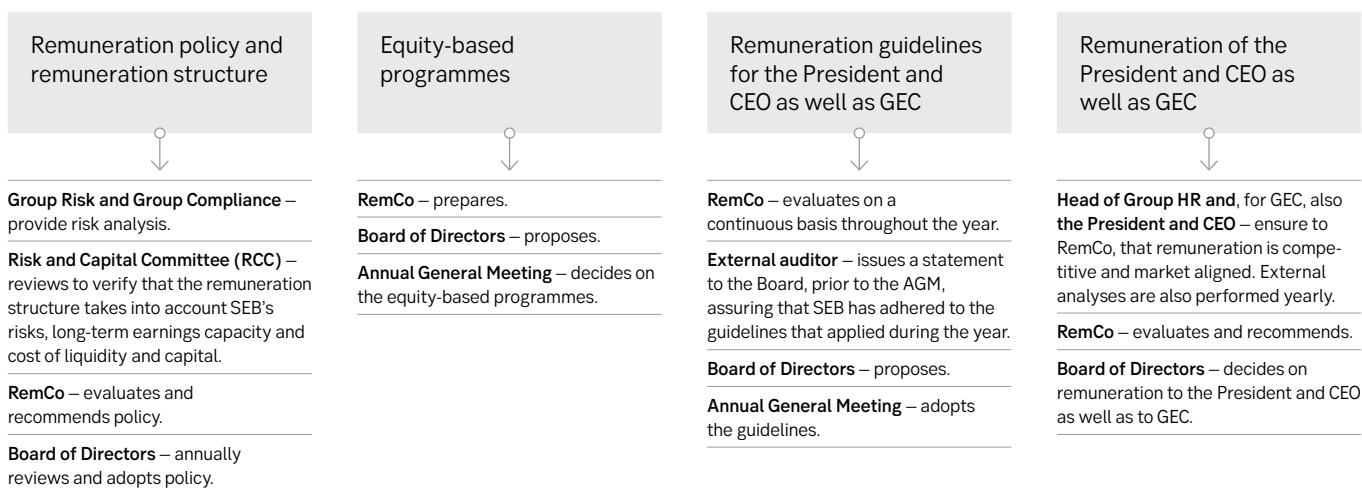
The pension plans are defined-contribution based, except for a defined-benefit component provided under collective agreements.

For termination of employment initiated by the bank, a maximum of 12 months' severance pay is payable, after the agreed notice period of maximum 12 months. SEB has the right to deduct income earned from other employment from any severance pay.

Annual General Meeting approval

The guidelines for salary and other remuneration of the President and CEO as well as GEC are adopted by the Annual General Meeting which also adopts the remuneration report. Refer to sebgroupp.com for the 2021 remuneration report.

Governance model



→ For information on remuneration see RemCo p. 99 and note 8. For AGM information see sebgroupp.com.