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Today and for generations to come.

# First quarter 2022

- Robust operating result in a quarter marked by the war in Ukraine and a less favourable macroeconomic outlook
- Return on equity amounted to 13.4 per cent, on a capital management buffer above the regulatory requirement of 490 basis points
- Stable underlying asset quality, with net expected credit losses of 8 basis points

SEK m	Q1			Jan-Mar			Full year 2021
	2022	2021	%	2022	2021	%	
Total operating income	14 768	14 127	5	14 768	13 616	8	55 638
Total operating expenses	-5 793	-6 097	-5	-5 793	-5 718	1	-23 245
Net expected credit losses	- 535	- 299	79	- 535	- 156		- 510
Imposed levies: Risk tax and resolution fees	- 582	- 255	128	- 582	- 267	118	-1 019
<b>Operating profit</b>	<b>7 857</b>	<b>7 476</b>	<b>5</b>	<b>7 857</b>	<b>7 475</b>	<b>5</b>	<b>30 864</b>
<b>NET PROFIT</b>	<b>6 403</b>	<b>6 198</b>	<b>3</b>	<b>6 403</b>	<b>6 018</b>	<b>6</b>	<b>25 423</b>

Return on equity, %

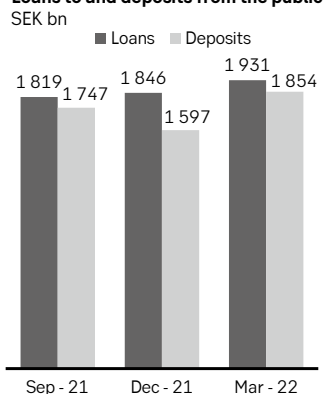
	13.4	12.9	13.4	13.8	13.9
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Basic earnings per share, SEK

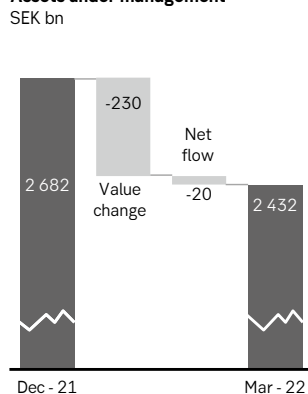
	2.98	2.87	2.98	2.78	11.75
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Comparative figures for 2021 have been restated. See section on restated comparative figures for further information.

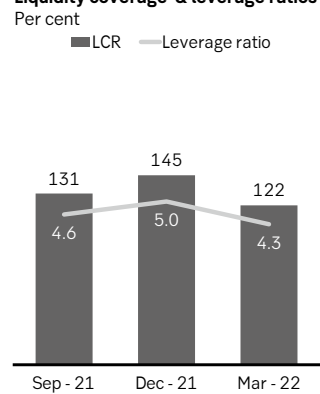
Loans to and deposits from the public



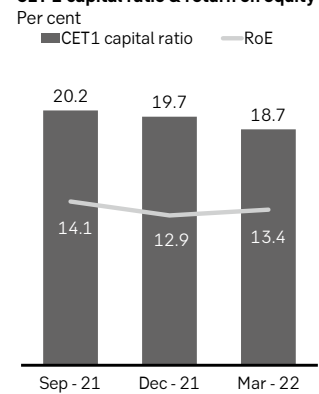
Assets under management



Liquidity coverage & leverage ratios



CET 1 capital ratio & return on equity



# Supporting our customers in times of uncertainty

The first quarter of the year was dominated by Russia's invasion of Ukraine. SEB has joined the international community in condemning Russia's actions. Our thoughts go out to our employees and customers in Ukraine, and to everyone affected by the war. As a northern European corporate bank with an international reach, SEB has a small presence in both Ukraine and Russia. In these countries, we support our home market customers locally, and we have no business targeted at local domestic customers. We recently communicated that it is not viable for us to maintain operations in Russia under the current conditions, and we have therefore started scaling down.

Following the invasion of Ukraine and the sanctions imposed on Russia, as well as the remarkable voluntary boycott of the Russian market, the energy supply shortage that emerged during the second half of 2021 increased. As a result, energy prices have risen even further, contributing to an increased global inflationary pressure and higher interest rates, as well as leading central banks around the world to initiate an earlier tightening of monetary policies than previously expected. The increased uncertainty has resulted in a general downward revision of economic growth forecasts. However, public finances in the Nordic and Baltic countries remain robust. In Sweden, public debt as a share of GDP amounts to 35 per cent, compared with 100 per cent for the Euro area. This indicates that capacity remains to support households and corporates in Sweden if required. Going forward, public investments in the sustainability transition and energy independence could also be factors driving economic growth.

Amid the heightened level of uncertainty, we do our utmost to support our customers and uphold our important role for people and businesses. Our employees enable us to keep the bank open in Ukraine and contribute to maintaining a robust financial system. We are also providing relief through donations, voluntary work and other initiatives. We strive to do our part to uphold the market economy, international trade and the democratic values our society is built on and that we so firmly believe in.

## A financially robust quarter

SEB's operating profit increased by 5 per cent compared to the previous quarter, to SEK 7.9bn. Return on equity reached 13.4 per cent. While event-driven financing and other capital market-related activity slowed markedly, lending volumes related to bridge financing supported net interest income. Assets under management decreased by 9 per cent in the quarter, mainly due to falling equity markets but also net outflows as customers reduced their risk exposure. Assets under custody decreased marginally as new business offset the value depreciation. Operating expenses decreased to SEK 5.8bn, partly affected by seasonality and decreased long-term incentive costs due to the lower SEB share price. Our cost guidance for 2022 remains unchanged.

The underlying asset quality remained robust. Net expected credit losses increased to 8 basis points due to less favourable macroeconomic scenarios, uncertainty related to higher energy prices, and the war in Ukraine. In light of this uncertainty, it is difficult to make projections for the full year, but we believe we are well reserved, and therefore net expected credit losses are likely to remain at a low level for the full year.

Our capital and liquidity position remains strong with a capital buffer of 490 basis points. The decline from year-end is

partly related to temporary bridge financings and elevated market risk, which should reverse in the coming quarters. A second share buyback programme was launched, repatriating another SEK 2.5bn to our shareholders until October 2022.

## Exploring technology and new customer offerings

During the first quarter, our efforts have been focused on future-proofing our business by executing on SEB's recently launched 2030 Strategy and new three-year business plan. I am proud to see how SEB's dedicated and skilled employees enable us to constantly develop our offering. For example, we have continued to explore the concept of Banking-as-a-Service (BaaS), or embedded finance, through our innovation studio SEBx. Leveraging API-driven technology, we can offer our financial products and services through the interface of non-bank partners. This creates opportunities both for the end customer and for us as a provider of these services, also in terms of new revenue streams. As a first step towards SEB's ambition of becoming a leading BaaS provider we recently announced our first external BaaS customer – the Swedish retail group Axel Johnson. Through this partnership, we strive to support innovation and product development within the retail industry.

Moreover, we recently launched Apple Pay to our Baltic retail customers. During the summer, this service will be provided to our Swedish retail customers as well.

## Supporting the transition of the energy sector

During the quarter, we continued updating SEB Group's policy framework, ahead of further national and international regulatory clarification expected during the fall. This included updating and adopting sector policies covering for example renewable energy and transportation. By doing so, we aim to clarify our position and further strengthen our support to our customers. The UN Intergovernmental Panel on Climate Change (IPCC) recently concluded that the transition of the global energy sector will be crucial to limit global warming. We continue to support our customers in their sustainability transitions, for example advising the Nordic renewable energy company Vestas in its landmark sustainability-linked bond transaction. Globally, this was the first sustainability-linked bond within the wind power industry that included requirements for circularity. We are pleased to see that our customers appreciate our support, and would like to thank them for the positive feedback we have received in this year's Prospera customer survey on sustainability.

## With a long-term perspective in mind

In the coming years, we will focus on future-proofing the bank by further developing our operations. I am grateful to our shareholders who have placed their trust in SEB, allowing us to invest in our business, thereby increasing our ability to meet our customers' changing needs and behaviours. We will continue to create long-term value for all our stakeholders by supporting our customers. That is how we positively shape the future, today and for generations to come.



President and CEO



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## Income statement on a quarterly basis, condensed

SEK m	Q1	Q4	Q3	Q2	Q1
	2022	2021	2021	2021	2021
Net interest income	7 062	6 717	6 612	6 468	6 300
Net fee and commission income	5 398	5 885	5 202	5 280	4 776
Net financial income	2 334	1 517	2 119	2 056	2 543
Net other income	- 25	8	38	120	- 3
<b>Total operating income</b>	<b>14 768</b>	<b>14 127</b>	<b>13 971</b>	<b>13 924</b>	<b>13 616</b>
Staff costs	-3 762	-3 795	-3 862	-3 818	-3 897
Other expenses	-1 543	-1 616	-1 336	-1 467	-1 345
Depreciation, amortisation and impairment of tangible and intangible assets	- 488	- 687	- 473	- 475	- 476
<b>Total operating expenses</b>	<b>-5 793</b>	<b>-6 097</b>	<b>-5 671</b>	<b>-5 759</b>	<b>-5 718</b>
<b>Profit before credit losses and imposed levies</b>	<b>8 974</b>	<b>8 030</b>	<b>8 300</b>	<b>8 164</b>	<b>7 898</b>
Net expected credit losses	- 535	- 299	- 49	- 7	- 156
Imposed levies: Risk tax and resolution fees	- 582	- 255	- 255	- 242	- 267
<b>Operating profit</b>	<b>7 857</b>	<b>7 476</b>	<b>7 997</b>	<b>7 916</b>	<b>7 475</b>
Income tax expense	-1 454	-1 278	-1 363	-1 342	-1 457
<b>NET PROFIT</b>	<b>6 403</b>	<b>6 198</b>	<b>6 634</b>	<b>6 574</b>	<b>6 018</b>
Attributable to shareholders of Skandinaviska Enskilda Banken AB	6 403	6 198	6 634	6 574	6 018
Basic earnings per share, SEK	2.98	2.87	3.06	3.04	2.78
Diluted earnings per share, SEK	2.96	2.85	3.04	3.02	2.76

Comparative figures for 2021 have been restated. See section on restated comparative figures for further information.

## Key figures

	Q1	Q4	Jan-Mar		Full year
	2022	2021	2022	2021	2021
Return on equity, %	13.4	12.9	13.4	13.8	13.9
Return on total assets, %	0.7	0.7	0.7	0.7	0.7
Return on risk exposure amount, %	3.2	3.2	3.2	3.2	3.4
Cost/income ratio <sup>1)</sup>	0.39	0.43	0.39	0.42	0.42
Basic earnings per share, SEK	2.98	2.87	2.98	2.78	11.75
Weighted average number of shares <sup>2)</sup> , millions	2 151	2 163	2 151	2 162	2 164
Diluted earnings per share, SEK	2.96	2.85	2.96	2.76	11.67
Weighted average number of diluted shares <sup>3)</sup> , millions	2 167	2 178	2 167	2 177	2 179
Net worth per share, SEK	94.53	98.00	94.53	87.65	98.00
Equity per share, SEK	86.89	89.61	86.89	80.81	89.61
Average shareholders' equity, SEK bn	191.7	192.0	191.7	174.7	183.5
Net ECL level, %	0.08	0.05	0.08	0.03	0.02
Stage 3 Loans / Total Loans, gross, %	0.42	0.53	0.42	0.77	0.53
Stage 3 Loans / Total Loans, net, %	0.18	0.22	0.18	0.38	0.22
Liquidity Coverage Ratio (LCR) <sup>4)</sup> , %	122	145	122	133	145
Net Stable Funding Ratio (NSFR) <sup>5)</sup> , %	108	111	108	111	111
<u>Own funds requirement, Basel III</u>					
Risk exposure amount, SEK m	828 377	787 490	828 377	761 144	787 490
Expressed as own funds requirement, SEK m	66 270	62 999	66 270	60 892	62 999
Common Equity Tier 1 capital ratio, %	18.7	19.7	18.7	20.3	19.7
Tier 1 capital ratio, %	19.7	21.4	19.7	22.1	21.4
Total capital ratio, %	21.4	23.1	21.4	23.1	23.1
Leverage ratio, %	4.3	5.0	4.3	4.6	5.0
Number of full time equivalents <sup>6)</sup>	16 066	15 716	15 959	15 515	15 551
Assets under custody, SEK bn	21 669	21 847	21 669	12 877	21 847
Assets under management, SEK bn	2 432	2 682	2 432	2 243	2 682

1) Comparative figures for 2021 have been restated. See section on restated comparative figures for further information.

2) The number of issued shares was 2,194,171,802. SEB owned 37,774,605 Class A shares at year-end 2021. During 2022 SEB has purchased 2,196,572 shares for the long-term equity programmes and 2,456,217 shares have been sold/distributed. During 2022 SEB has purchased 9,994,894 shares for capital purposes. Thus, at 31 March 2022 SEB owned 47,509,854 Class A-shares with a market value of SEK 4,867m.

3) Calculated dilution based on the estimated economic value of the long-term incentive programmes.

4) In accordance with the EU delegated act.

5) In accordance with CRR2.

6) Quarterly numbers are for end of quarter. Accumulated numbers are average for the period.

In SEB's Fact Book, this table is available with nine quarters of history.



## Restated comparative figures

On 28 March 2022, SEB published a press release with restated financial information. The changes, that do not affect the group's net profit or capital ratios, are fully reflected throughout this report. See p. 43-44 for more information and a reconciliation to previously presented financial information.

### First quarter

*Operating profit* increased by 5 per cent to SEK 7,857m compared with the fourth quarter 2021 (7,476). Year-on-year *operating profit* also increased by 5 per cent. *Net profit* amounted to SEK 6,403m (6,198).

#### Operating income

*Total operating income* increased by SEK 641m compared with the fourth quarter 2021 and amounted to SEK 14,768m (14,127). Compared with the first quarter 2021, total operating income increased by 8 per cent.

*Net interest income* amounted to SEK 7,062m, which represented an increase of 5 per cent compared with the fourth quarter 2021 (6,717) and an increase of 12 per cent year-on-year.

	Q1	Q4	Q1
SEK m	2022	2021	2021
Customer-driven NII	6 730	6 371	6 711
NII from other activities	332	346	-411
<b>Total</b>	<b>7 062</b>	<b>6 717</b>	<b>6 300</b>

Customer-driven net interest income increased by SEK 358m compared with the fourth quarter 2021. Both lending volumes, mainly related to bridge financing activity, and lending margins contributed to the increase. There was a small positive effect from deposit volumes and margins combined. The deposit guarantee fees amounted to SEK 101m (79).

Net interest income from other activities (including for instance funding and other treasury activities and trading) was next to unchanged at SEK 332m compared with the fourth quarter.

*Net fee and commission income* decreased by 8 per cent in the first quarter to SEK 5,398m (5,885), from a strong previous quarter outcome. Compared with the first quarter 2021 net fee and commission income increased by 13 per cent.

Given the heightened uncertainty related to Russia's invasion of Ukraine, customers were more cautious. Event-driven new financing and other capital market-related activity slowed markedly compared with the unusually strong fourth quarter. Gross fee income from issuance of securities and advisory services decreased by SEK 134m to SEK 422m. Gross lending fees, mainly event-related, decreased by SEK 180m to SEK 804m.

High activity in the financial markets resulted in an increase of secondary market and derivatives income of 3 per cent in the first quarter to SEK 562m.

The gross fee income from custody and mutual funds, excluding performance fees, increased by SEK 77m to SEK 2,598m compared with the fourth quarter 2021. Performance fees amounted to SEK 164 (301).

Net payment and card fees decreased by SEK 16m to SEK 969m. The decrease was partly due to seasonality.

The net life insurance commissions related to the unit-linked insurance business, where average asset values were lower in the first quarter, amounted to SEK 276m (327).

*Net financial income* increased by SEK 817m to SEK 2,334m compared with the fourth quarter 2021. Year-on-year, net financial income decreased by SEK 209m.

High customer activity within foreign exchange and commodities contributed positively, offset by weakness within fixed income. There was a significant positive revaluation effect on interest rate and foreign exchange swaps from treasury activities. The fair value credit adjustment<sup>1)</sup> amounted to SEK 249m as credit spreads widened, an increase of SEK 284m compared with the fourth quarter 2021. The market value change of certain strategic holdings amounted to SEK -136m in the first quarter, a positive change of SEK 172m quarter-on-quarter. The sale of shares in the Swedish fintech company Tink announced in the second quarter 2021 was finalised at a gain of SEK 262m in the first quarter. Net financial income from the Life division decreased by SEK 134m to SEK 159m.

*Net other income* amounted to SEK -25m (8). Unrealised valuation and hedge accounting effects are included in this line item.

#### Operating expenses

*Total operating expenses* amounted to SEK 5,793m (6,097) with some seasonal effect. Total operating expenses decreased by 5 per cent from the fourth quarter 2021 and increased by 1 per cent year-on-year.

Staff costs decreased by 1 per cent. Higher salary costs from an increased number of full-time equivalent employees was counteracted by lower social fees on long-term incentive programmes, in turn due to the lower value of the SEB share.

<sup>1</sup> Unrealised valuation change from counterparty risk (CVA) and own credit risk standing in derivatives (DVA). Own credit risk for issued securities (OCA) is reflected in Other comprehensive income.

#### Comparative numbers (in parenthesis throughout the report)

Unless otherwise stated:

- the result for the reporting quarter is compared with the prior quarter
- business volumes are compared with the prior quarter

The number of full-time equivalents increased to 16,066 (15,716).

The decrease in other expenses was related to IT and projects as well as seasonal effects from consulting costs and marketing. Supervisory fees amounted to SEK 38m (36). Depreciation costs decreased primarily explained by the impaired goodwill relating to card operations in Norway in the amount of SEK 179m which was reported in the fourth quarter 2021.

Costs related to the strategic initiatives in the business plan for 2022-2024 developed broadly according to plan. The cost target is outlined on page 11.

#### **Net expected credit losses**

*Net expected credit losses* amounted to SEK 535m (299), corresponding to a net expected credit loss level of 8 basis points (5) due to the less favourable macroeconomic scenarios and net increase in portfolio model overlays. The underlying asset quality of the credit portfolio continued to be robust.

The model overlay made in 2020 for the oil portfolio in the Large Corporates & Financial Institutions division was reduced. A new model overlay on portfolio level was made for possible implications on asset quality of companies with high sensitivity to energy prices or with direct or indirect exposure to Russia and Ukraine. The portfolio model overlays made in 2020 for potential negative Covid-19 effects in the Corporate & Private Customers and Baltic divisions were maintained. While government support measures that have been in place as a result of Covid-19 restrictions have been or are being lifted, the impact on asset quality from higher inflation and interest rates remains uncertain. Including model overlays made prior to 2020, the total model overlays on portfolio level amount to SEK 2bn, of which SEK 0.8bn in the Large Corporate & Financial Institutions division and SEK 1.2bn in the Corporate & Private Customers and Baltic divisions.

See further comments on Credit risk and asset quality on page 9 and notes 10-12.

#### **Imposed levies: Risk tax and resolution fees**

*Imposed levies* amounted to SEK 582m (255). A risk tax on credit institutions was introduced in Sweden as of 1 January 2022. It is applied on credit institutions with a liabilities tax base exceeding SEK 150bn. The tax rate is 0.05 per cent of the tax base for 2022 and 0.06 per cent for 2023. The risk tax for the first quarter amounted to SEK 296m. The resolution fees rose to SEK 287m (255).

#### **Income tax expense**

*Income tax expense* increased to SEK 1,454m (1,278) with an effective tax rate of 18.5 per cent (17.1).

#### **Return on equity**

*Return on equity* for the first quarter improved to 13.4 per cent (12.9).

#### **Other comprehensive income**

*Other comprehensive income* amounted to SEK 1,070m (5,227). The value of SEB's pension plan assets continued to exceed the defined benefit obligations to the employees and the change in net value of the defined benefit pension plans affected other comprehensive income by SEK 840m (4,889). The defined benefit pension obligations decreased when the Swedish discount rate changed from 1.60 to 2.45 per cent in the first quarter.

The net effect from the valuation of balance sheet items that may subsequently be reclassified to the income statement, i.e. cash flow hedges and translation of foreign operations amounted to SEK 196m (332).



## Business volumes

Total assets as of 31 March 2022 amounted to SEK 3,766bn, representing an increase of SEK 462bn from the fourth quarter 2021 (3,304).

### Loans

SEK bn	31 Mar	31 Dec
	2022	2021
General governments	17	17
Financial corporations	101	101
Non-financial corporations	955	900
Households	710	704
Collateral margin	48	44
Reverse repos	100	81
<b>Loans to the public</b>	<b>1 931</b>	<b>1 846</b>

Loans to the public increased by SEK 85bn in the first quarter. The main increase related to corporate bridge financing.

Loans as well as credit commitments and derivatives are included and managed in the credit portfolio. See the section Risk and capital for information on the credit portfolio.

### Deposits and borrowings

SEK bn	31 Mar	31 Dec
	2022	2021
General governments	43	20
Financial corporations	570	368
Non-financial corporations	675	673
Households	443	439
Collateral margin	100	88
Repos	23	8
Registered bonds	0	1
<b>Deposits and borrowings from the public</b>	<b>1 854</b>	<b>1 597</b>

Deposits and borrowings from the public increased by SEK 257bn in the first quarter to SEK 1,854bn (1,597). The 2021 trend that both non-financial and financial corporations and households chose bank accounts as a safe investment alternative continued in 2022, now also fuelled by the uncertainty caused by the war in Ukraine. Deposits from financial corporations increased by SEK 202bn in the first quarter.

### Debt securities

Debt securities increased by SEK 132bn to SEK 338bn in the first quarter. The securities are short-term in nature and have a high credit worthiness. The volume movements mirrored the changes in SEB's deposit base.

### Assets under management and custody

Total *assets under management* amounted to SEK 2,432bn (2,682). The market value moved with the equity markets and decreased by SEK 230bn during the quarter (+237). Net flows of assets under management were an outflow of SEK20bn (+23).

*Assets under custody* amounted to SEK 21,669bn (21,847), where decreasing asset values were partly offset by new mandates.

## Risk and capital

SEB's business is exposed to many different types of risks. The risk composition of the group, as well as the related risk, liquidity and capital management, are described in SEB's Annual and Sustainability Report for 2021 (see page 86-91 and notes 40 and 41), in the Capital Adequacy and Risk Management Report for 2021 as well as the quarterly additional Pillar 3 disclosures. Further information is available in the Fact Book that is published quarterly.

### Credit risk and asset quality

SEK bn	31 Mar	31 Dec
	2022	2021
Banks	116	102
Corporates	1 513	1 473
Commercial real estate management	191	188
Residential real estate management	149	152
Housing co-operative associations Sweden	74	74
Public administration	81	83
Household mortgage	684	670
Household other	86	86
<b>Total credit portfolio</b>	<b>2 896</b>	<b>2 828</b>

SEB's credit portfolio, which includes loans, contingent liabilities and derivatives, increased by SEK 68bn in the first quarter to SEK 2,896bn (2,828). The corporate credit portfolio increased by SEK 40bn, mainly due to the weaker Swedish krona. The household mortgage segment increased by SEK 14bn, driven by a continued robust mortgage market in Sweden and the Baltic countries.

Asset quality indicators such as past due loans remained largely unchanged during the quarter. Credit-impaired loans (gross loans in stage 3) continued to decrease to SEK 8.3bn (9.8), which corresponds to 0.42 per cent of total loans (0.53). The decrease was driven mainly by write-offs in the oil portfolio. Gross exposures in Stage 1 increased due to volume and currency effects, while gross exposures in Stage 2 increased due to currency effects and negative risk migration. Total ECL allowances amounted to SEK 8.2bn, of which SEK 2bn is model overlays on portfolio level. See net expected credit loss comment on page 8.

Notes 10-12 provide a more detailed breakdown of SEB's loan portfolio by industry and asset quality as well as corresponding ECL allowances. The Fact book provides a breakdown of SEB's credit portfolio and lending portfolio by industry and geography.

### Market risk

Various factors such as the central bank communication on increasing interest rates and the war in Ukraine resulted in significant market movements during the quarter. Average VaR in the regulatory trading book for the first quarter 2022 amounted to SEK 159m compared with SEK 111m for the fourth quarter 2021. The group does not expect to lose more than this amount, on average, during a period of ten trading days with 99 per cent probability. SEB's business model is mainly driven by customer demand.

## Liquidity and funding

SEB has maintained a strong and diversified liquidity and funding position in the quarter. The loan-to-deposit ratio was 100 per cent per 31 March 2022 (111).

SEB's long-term funding need continued to be mostly regulatory-driven. New issuance amounted to SEK 45bn, of which SEK 35bn in covered bonds and SEK 11bn in a senior non-preferred bond, which was issued in green format under SEB's new green bond framework. SEK 19bn of long-term funding matured, of which SEK 1bn covered bonds and SEK 18bn senior debt.

Short-term funding in the form of commercial paper and certificates of deposit increased by SEK 28bn.

Liquid assets defined according to the liquidity coverage ratio (LCR) requirements amounted to SEK 945bn at 31 March 2022 (672) and the LCR was 122 per cent (145).

The net stable funding ratio (NSFR) requirement is that stable funding shall be at least 100 per cent of illiquid assets. Per 31 March 2022, SEB's NSFR was 108 per cent (111).

## Rating

Fitch rates SEB's long-term senior unsecured debt at AA– with stable outlook. The rating is based on SEB's low risk appetite, stable and well-executed strategy, and robust asset quality and capitalisation. The rating was affirmed in October 2021.

Moody's rates SEB's long-term senior unsecured debt at Aa3 with stable outlook based on the bank's strong asset quality and solid capitalisation which are expected to be resilient in the aftermath of Covid-19 induced economic disruption. While the bank has good underlying earnings generation, the corporate banking focus could add earnings cyclicality. The rating of the senior unsecured debt was downgraded to Aa3 from Aa2 in October 2021, following the Swedish National Debt Office's (the resolution authority) proposal to amend its rules on Minimum Requirements for Eligible Liabilities and Own Funds (MREL) which will result in most Swedish banks needing to issue lower levels of additional loss-absorbing debt.

S&P rates SEB's long-term senior unsecured debt at A+ with stable outlook. The rating is based on the stable and low-risk operating environment in Sweden, the bank's stable and well-diversified revenue base and leading position among large Nordic corporates, robust capitalisation and resilient earnings, despite expected increasing pressure on revenues and asset quality in the economic environment. The rating was affirmed in May 2021.

## Risk exposure amount

The total risk exposure amount (REA) increased by SEK 41bn to SEK 828bn during the first quarter.

The weaker Swedish krona increased credit risk REA by SEK 7bn, while asset size increased REA by SEK 15bn. Market risk REA increased by SEK 13bn, mainly due to elevated market volatility. Operational risk REA remained largely unchanged. No model and methodology updates affected REA during the quarter.

SEK bn	
<b>Balance 31 Dec 2021</b>	<b>787</b>
Underlying credit risk change	25
- whereof asset size	15
- whereof asset quality	3
- whereof foreign exchange movements	7
Underlying market risk change	15
- whereof CVA risk	2
Underlying operational risk change	0
Model updates, methodology & policy, other	0
- whereof credit risk	0
<b>Balance 31 Mar 2022</b>	<b>828</b>

## Capital position

The following table shows REA and capital ratios according to applicable capital regulation:

	31 Mar	31 Dec
Own funds requirement, Basel III	2022	2021
Risk exposure amount, SEK bn	828	787
Common Equity Tier 1 capital ratio, %	18.7	19.7
Tier 1 capital ratio, %	19.7	21.4
Total capital ratio, %	21.4	23.1
Leverage ratio, %	4.3	5.0

SEB's Common Equity Tier 1 (CET1) capital ratio was 18.7 per cent (19.7), mainly driven by an increase in REA. A full deduction from CET1 capital of SEK 2.5bn for the second share buyback programme announced on 22 March 2022 was made in the first quarter. The programme runs through 24 October 2022. A dividend payment amounting to SEK 12.9bn was distributed on 29 March 2022.

SEB's applicable CET1 capital requirement and Pillar 2 guidance (P2G) per the end of the first quarter 2022 was 13.8 per cent (13.8). SEB's target is 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. The buffer is currently approximately 490 basis points (590).

SEB's leverage ratio was 4.3 per cent at the end of the quarter (5.0) whereas the leverage ratio requirement and P2G was 3.45 per cent.

## Internally assessed capital requirement

As per 31 March 2022, the internally assessed capital requirement, including insurance risk, amounted to SEK 106bn (102). The internal capital requirement is assessed using SEB's internal models for economic capital and is not fully comparable to the estimated capital requirement published by the SFSA due to differences in assumptions and methodologies.

The internally assessed capital requirement for the parent company was SEK 84bn (83).

## Other information

### Long-term financial targets for the group

With the overall purpose to increase capital management flexibility, the Board of Directors' long-term financial targets are:

- to pay a yearly dividend that is around 50 per cent of the earnings per share excluding items affecting comparability, and distribute potential capital in excess of the targeted capital position mainly through share repurchases,
- to maintain a Common Equity Tier 1 capital ratio of 100–300 basis points above the requirement from the Swedish Financial Supervisory Authority (FSA), and
- to generate a return on equity that is competitive with peers.

In the long term, SEB aspires to reach a sustainable return on equity of 15 per cent.

### Financial aspirations for the divisions

The long-term divisional aspirations for profitability (RoBE) and cost efficiency (C/I ratio) are set mainly based on two factors. Firstly, each division will have the ambition to achieve best in class profitability and cost efficiency compared with similar businesses among relevant peers. Secondly, each division's aspirations are set so that they enable SEB to achieve its long-term aspiration of 15 per cent return on equity on group level.

Division	Return on business equity	Cost/income ratio
Large Corporates & Financial Institutions	>13%	<0.50
Corporate & Private Customers	>16%	<0.40
Private Wealth Management & Family Office	>25%	<0.50
Baltic	>20%	<0.40
Life	>30%	<0.45
Investment Management	>40%	<0.40

### Business plan 2022-2024 and cost target

The aim is to create shareholder value - by accelerating income growth, driving earnings per share growth, increasing our profitability and future-proofing the business. This will be achieved by capitalising on a position of strength and by further investing into the business, as outlined in the business plan for 2022-2024.

The target entails growing the business in a capital-efficient manner to reach the long-term financial targets. In the short-term, the cost target for 2022 is SEK 24.5bn, assuming 2021 FX-rates. Towards the end of the business plan period, the plan is to be within the long-term capital target of 100-300 basis points above the regulatory requirement. During 2022 the plan is to distribute between SEK 5-10bn through share buybacks, subject to market conditions. All of this is with the overall ambition to grow earnings per share and reach the long-term aspirational target of 15 per cent return on equity.

### Impact from exchange rate fluctuations

The currency effect on operating profit for the first quarter 2022 was SEK 106m.

Compared with the fourth quarter 2021, the weaker Swedish krona increased loans to and deposits from the public by SEK 14bn and SEK 16bn, respectively, while total REA increased by SEK 7bn and the increase of total assets was SEK 26bn.

### Change in Group Executive Committee

As per 23 March 2022 Masih Yazdi returned to the position of SEB's Chief Financial Officer after a leave of absence.

### Uncertainties

The relevant risks and uncertainties for the SEB Group are outlined in the 2021 Annual and Sustainability Report.

Since year-end 2021, the threat from Covid-19 with possible financial and economic consequences as previously described subsided substantially.

Other risks and uncertainties have emerged mainly related to Russia's invasion of Ukraine and the thereafter imposed sanctions on Russia with implications on commodity prices, inflation and interest rate outlooks. While SEB's direct exposure to Russia and Ukraine is small, the negative global macroeconomic effect might have implications on SEB's asset quality.

SEB is continuously assessing the asset quality of its credit portfolio using several different economic scenarios.

Financial markets volatility may adversely impact fair values of certain financial instruments and holdings, and consequently, net financial income and capital.

The interest rate levels – in Sweden in particular the repo rate – are key factors affecting net interest income and operating profit. At the monetary policy meeting on 9 February 2022, the Executive Board of the Riksbank (the Swedish central bank) decided to hold the repo rate unchanged at zero per cent. At that time, the Riksbank expected that the repo rate will be raised during the second half of 2024. SEB's macroeconomic experts are predicting a first rate hike during the second quarter this year.

# Business segments

## Income statement by segment

Jan-Mar 2022, SEK m	Large Corporates & Financial Institutions	Corporate & Private Customers	Private Wealth Mgmt & Family Office	Baltic	Life	Investment Management	Group Functions	Eliminations	SEB Group
Net interest income	2 967	2 730	217	808	-4	-4	357	-9	7 062
Net fee and commission income	1 790	1 065	429	448	670	922	39	36	5 398
Net financial income	1 165	127	18	167	159	29	695	-27	2 334
Net other income	41	3	1	3	6	1	-80	-1	-25
<b>Total operating income</b>	<b>5 963</b>	<b>3 925</b>	<b>664</b>	<b>1 426</b>	<b>831</b>	<b>948</b>	<b>1 011</b>	<b>-1</b>	<b>14 768</b>
Staff costs	-1 119	-708	-181	-282	-168	-137	-1 167	0	-3 762
Other expenses	-1 325	-1 019	-206	-192	-165	-190	1 553	1	-1 543
Depreciation, amortisation and impairment of tangible and intangible assets	-10	-20	-1	-22	-5	-3	-427		-488
<b>Total operating expenses</b>	<b>-2 453</b>	<b>-1 748</b>	<b>-388</b>	<b>-496</b>	<b>-339</b>	<b>-330</b>	<b>-41</b>	<b>2</b>	<b>-5 793</b>
<b>Profit before credit losses and imposed levies</b>	<b>3 510</b>	<b>2 177</b>	<b>276</b>	<b>929</b>	<b>492</b>	<b>618</b>	<b>970</b>	<b>1</b>	<b>8 974</b>
Net expected credit losses	-396	-147	1	0	0	0	7	0	-535
Imposed levies: Risk tax and resolution fees	-322	-212	-17	-16		0	-14	-1	-582
<b>Operating profit</b>	<b>2 792</b>	<b>1 818</b>	<b>260</b>	<b>914</b>	<b>492</b>	<b>618</b>	<b>963</b>	<b>0</b>	<b>7 857</b>

Jan-Mar 2021, SEK m	Large Corporates & Financial Institutions	Corporate & Private Customers	Private Wealth Mgmt & Family Office	Baltic	Life	Investment Management	Group Functions	Eliminations	SEB Group
Net interest income	2 702	2 949	256	743	-7	-4	-346	7	6 300
Net fee and commission income	1 531	955	314	372	649	902	61	-8	4 776
Net financial income	1 500	114	12	78	262	12	577	-11	2 543
Net other income	-49	7	2	3	2	1	34	-3	-3
<b>Total operating income</b>	<b>5 684</b>	<b>4 026</b>	<b>583</b>	<b>1 196</b>	<b>906</b>	<b>910</b>	<b>326</b>	<b>-16</b>	<b>13 616</b>
Staff costs	-1 030	-765	-155	-195	-180	-131	-1 443	3	-3 897
Other expenses	-1 239	-895	-186	-267	-166	-182	1 578	13	-1 345
Depreciation, amortisation and impairment of tangible and intangible assets	-17	-20	0	-8	-5	-3	-423		-476
<b>Total operating expenses</b>	<b>-2 286</b>	<b>-1 681</b>	<b>-341</b>	<b>-470</b>	<b>-351</b>	<b>-316</b>	<b>-288</b>	<b>16</b>	<b>-5 718</b>
<b>Profit before credit losses and imposed levies</b>	<b>3 398</b>	<b>2 345</b>	<b>242</b>	<b>727</b>	<b>555</b>	<b>594</b>	<b>37</b>	<b>0</b>	<b>7 898</b>
Net expected credit losses	-172	-44	-8	66	0	0	5	-3	-156
Imposed levies: Risk tax and resolution fees	-156	-82	-5	-18		0	-6		-267
<b>Operating profit</b>	<b>3 069</b>	<b>2 219</b>	<b>228</b>	<b>775</b>	<b>555</b>	<b>594</b>	<b>37</b>	<b>-3</b>	<b>7 475</b>

Comparative figures for 2021 have been restated. See section on restated comparative figures for further information.

## Large Corporates & Financial Institutions

The division offers commercial and investment banking services to large corporate and institutional clients in the Nordic region, Germany and the United Kingdom. Customers are also served through an international network in some 20 offices.

### Income statement

SEK m	Q1		Q4	Jan–Mar			Full year
	2022	2021	%	2022	2021	%	2021
Net interest income	2 967	2 627	13	2 967	2 702	10	10 578
Net fee and commission income	1 790	2 018	-11	1 790	1 531	17	7 189
Net financial income	1 165	1 199	-3	1 165	1 500	-22	4 743
Net other income	41	-4		41	-49		22
<b>Total operating income</b>	<b>5 963</b>	<b>5 840</b>	<b>2</b>	<b>5 963</b>	<b>5 684</b>	<b>5</b>	<b>22 532</b>
Staff costs	-1 119	-1 060	6	-1 119	-1 030	9	-4 115
Other expenses	-1 325	-1 351	-2	-1 325	-1 239	7	-5 106
Depreciation, amortisation and impairment of tangible and intangible assets	-10	-14	-31	-10	-17	-43	-64
<b>Total operating expenses</b>	<b>-2 453</b>	<b>-2 425</b>	<b>1</b>	<b>-2 453</b>	<b>-2 286</b>	<b>7</b>	<b>-9 286</b>
<b>Profit before credit losses and imposed levies</b>	<b>3 510</b>	<b>3 415</b>	<b>3</b>	<b>3 510</b>	<b>3 398</b>	<b>3</b>	<b>13 247</b>
Net expected credit losses	-396	-287	38	-396	-172	130	-660
Imposed levies: Risk tax and resolution fees	-322	-149	117	-322	-156	106	-594
<b>Operating profit</b>	<b>2 792</b>	<b>2 980</b>	<b>-6</b>	<b>2 792</b>	<b>3 069</b>	<b>-9</b>	<b>11 993</b>
Cost/Income ratio	0.41	0.42		0.41	0.40		0.41
Business equity, SEK bn	69.4	64.2		69.4	63.6		64.6
Return on business equity, %	12.4	14.3		12.4	14.9		14.3
FTEs, present <sup>1)</sup>	2 208	2 155		2 203	2 020		2 076

<sup>1)</sup> Quarterly numbers are for end of quarter. Accumulated numbers are average for the period.

- Geopolitical uncertainty drove demand for risk management services among large corporate clients
- Inflation and rising interest rates created rebalancing and hedging needs among institutional clients
- Operating profit amounted to SEK 2,792m and return on business equity was 12.4 per cent

### Comments on the first quarter

The geopolitical turmoil, in conjunction with inflation concerns and the expectation of imminent tighter monetary policy, affected activity levels in the capital markets in an otherwise solid quarter with high demand for risk management services.

Within the *large corporate* customer segment, focus remained on the transitional agenda towards more sustainable balance sheets and project and infrastructure financing continued to grow. In contrast to the slightly muted capital markets, with fewer event-driven transactions, activity within the private equity space as well as corporate lending remained stable and, on the back of surging energy prices, clients' demand for risk management services increased.

Within the *financial institutions* customer segment, elevated volatility in interest rates and equity markets led to high demand for foreign exchange hedges, equities execution and equities financing. Client risk management activity, in interest rates and derivatives hedges, remained high during the quarter. The pursuit of credit-related products was somewhat subdued on the back of fewer event-driven transactions in the corporate segment which translated into lower related investment activity. Despite the uncertain

macroeconomic environment, focus remained to a large extent on alternative asset classes.

Assets under custody were marginally affected and amounted to SEK 21,669bn (21,847) where decreasing asset values were partly offset by new mandates being onboarded.

Operating income amounted to SEK 5,963m. Net interest income increased to SEK 2,967m, mainly due to lending volumes related to bridge financing activity. Net fee and commission income decreased to SEK 1,790m, due to the geopolitical environment impacting the primary markets. There were seasonal effects seen in the fourth quarter. Net financial income amounted to SEK 1,165m, predominantly driven by high demand for foreign exchange and commodities services but partly offset by fixed income. Operating expenses increased to SEK 2,453m mainly driven by higher salary expenses directly related to additional full-time equivalents. Net expected credit losses amounted to SEK 396m, with a net expected credit loss level of 11 basis points. See page 8.

## Corporate & Private Customers

The division offers full banking and advisory services to private individuals and small and medium-sized corporate customers in Sweden, as well as card services in four Nordic countries. Swedish affluent individuals are offered private banking services.

### Income statement

SEK m	Q1		Q4	Jan–Mar			Full year
	2022	2021	%	2022	2021	%	2021
Net interest income	2 730	2 680	2	2 730	2 949	-7	11 115
Net fee and commission income	1 065	1 124	-5	1 065	955	11	4 183
Net financial income	127	135	-6	127	114	11	465
Net other income	3	3	-14	3	7	-57	15
<b>Total operating income</b>	<b>3 925</b>	<b>3 943</b>	<b>0</b>	<b>3 925</b>	<b>4 026</b>	<b>-3</b>	<b>15 778</b>
Staff costs	-708	-705	0	-708	-765	-8	-2 944
Other expenses	-1 019	-1 006	1	-1 019	-895	14	-3 733
Depreciation, amortisation and impairment of tangible and intangible assets	-20	-207	-90	-20	-20	-1	-270
<b>Total operating expenses</b>	<b>-1 748</b>	<b>-1 918</b>	<b>-9</b>	<b>-1 748</b>	<b>-1 681</b>	<b>4</b>	<b>-6 947</b>
<b>Profit before credit losses and imposed levies</b>	<b>2 177</b>	<b>2 025</b>	<b>8</b>	<b>2 177</b>	<b>2 345</b>	<b>-7</b>	<b>8 830</b>
Net expected credit losses	-147	-31		-147	-44		-66
Imposed levies: Risk tax and resolution fees	-212	-80	164	-212	-82	159	-321
<b>Operating profit</b>	<b>1 818</b>	<b>1 913</b>	<b>-5</b>	<b>1 818</b>	<b>2 219</b>	<b>-18</b>	<b>8 444</b>
Cost/Income ratio	0.45	0.49		0.45	0.42		0.44
Business equity, SEK bn	44.9	45.2		44.9	42.7		44.0
Return on business equity, %	12.5	13.0		12.5	16.0		14.8
FTEs, present <sup>1)</sup>	3 196	3 177		3 170	3 371		3 281

<sup>1)</sup> Quarterly numbers are for end of quarter. Accumulated numbers are average for the period.

- Card business recovery from Covid-19 related decline
- Continued growth in mortgage lending
- Operating profit amounted to SEK 1,818m and return on business equity was 12.5 per cent

### Comments on the first quarter

Customer satisfaction in advisory services, as measured by Net Promoter Score (NPS), decreased for both corporate and private customers compared with last quarter but remained at high levels.

In the *corporate customer segment*, the net inflow of full-service customers continued. During the quarter, lending volumes increased explained by growth in corporate and card lending, while lending volumes declined in the real estate portfolio. Overall, corporate lending increased by SEK 1bn and amounted to SEK 289bn. Corporate deposits decreased in the quarter while net inflow in mutual funds continued despite challenging market conditions.

Among *private customers*, the mortgage business continued to grow, but at a slower pace than previous quarters. Mortgage volumes grew by SEK 3bn and amounted to SEK 558bn. Increased market uncertainty and declining stock markets resulted in high activity among customers within mutual funds and equity trading, and negative net flows. Deposit volumes increased at a pace in line with seasonal expectations.

In total, lending volumes increased by SEK 4bn and amounted to SEK 866bn. Deposit volumes grew by SEK 1bn and amounted to SEK 483bn.

Within the card business, the recovery from the Covid-19 related decline continued, with turnover for both private and corporate cards above or close to 2019 levels by the end of the quarter.

The operating profit amounted to SEK 1,818m. Net interest income increased by 2 per cent explained by increasing volumes, while deposit margins continued to decline due to internal funds transfer pricing. Net fee and commission income decreased by 5 per cent due to seasonal variations in the card business, as expected, and lower assets under management. Total operating expenses amounted to SEK 1,748m, a decrease by 9 per cent compared with last quarter. The decrease is mainly explained by the card-related goodwill impairment amounting to SEK 179m in the fourth quarter. Net expected credit losses amounted to SEK 147m, with a net expected credit loss level of 6 basis points in the first quarter. See page 8.



## Private Wealth Management & Family Office

The division offers comprehensive banking infrastructure, access to capital markets, financing solutions and individually tailored advisory services to entrepreneurs, high net worth individuals, foundations and family offices.

### Income statement

SEK m	Q1			Q4			Jan–Mar			Full year
	2022	2021	%	2022	2021	%	2022	2021	%	2021
Net interest income	217	192	13	217	256	-15	217	256	-15	881
Net fee and commission income	429	377	14	429	314	37	429	314	37	1 401
Net financial income	18	27	-34	18	12	49	18	12	49	64
Net other income	1	4	-75	1	2	-48	1	2	-48	9
<b>Total operating income</b>	<b>664</b>	<b>600</b>	<b>11</b>	<b>664</b>	<b>583</b>	<b>14</b>	<b>664</b>	<b>583</b>	<b>14</b>	<b>2 354</b>
Staff costs	-181	-188	-4	-181	-155	17	-181	-155	17	-668
Other expenses	-206	-199	4	-206	-186	11	-206	-186	11	-714
Depreciation, amortisation and impairment of tangible and intangible assets	-1	-1	-4	-1	0	187	-1	0	187	-4
<b>Total operating expenses</b>	<b>-388</b>	<b>-388</b>	<b>0</b>	<b>-388</b>	<b>-341</b>	<b>14</b>	<b>-388</b>	<b>-341</b>	<b>14</b>	<b>-1 386</b>
<b>Profit before credit losses and imposed levies</b>	<b>276</b>	<b>212</b>	<b>30</b>	<b>276</b>	<b>242</b>	<b>14</b>	<b>276</b>	<b>242</b>	<b>14</b>	<b>968</b>
Net expected credit losses	1	10	-91	1	-8		1	-8		-4
Imposed levies: Risk tax and resolution fees	-17	-5		-17	-5		-17	-5		-21
<b>Operating profit</b>	<b>260</b>	<b>217</b>	<b>20</b>	<b>260</b>	<b>228</b>	<b>14</b>	<b>260</b>	<b>228</b>	<b>14</b>	<b>944</b>
Cost/Income ratio	0.58	0.65		0.58	0.59		0.58	0.59		0.59
Business equity, SEK bn	3.4	3.2		3.4	3.1		3.4	3.1		3.1
Return on business equity, %	23.3	20.9		23.3	22.7		23.3	22.7		23.1
FTEs, present <sup>1)</sup>	449	434		447	405		447	405		412

<sup>1)</sup> Quarterly numbers are for end of quarter. Accumulated numbers are average for the period.

- Strong inflow of new customers
- Continued growth in lending volumes
- Operating profit amounted to SEK 260m and return on business equity was 23.3 per cent

### Comments on the first quarter

Customers were active in the first quarter and demand for investment and lending advisory services remained at a high level. The division increased the number of customers in all geographical locations where services are offered and also generated positive net flows in assets under management during the quarter.

The first quarter was characterised by the war in Ukraine and increased uncertainty. Customer activities were high including additional market updates and investment events. Asset under management decreased by 12 per cent compared with the end of 2021. The market value related decrease is explained by the overall stock market development in the beginning of 2022.

Lending volumes increased by SEK 3.5bn to SEK 71bn. Deposit volumes increased by SEK 4bn to SEK 128bn, which was in line with seasonal expectations.

The operating profit amounted to SEK 260m. Net interest income increased by 13 per cent driven by lending volume growth. Net fee and commission income increased by 14 per cent, mainly explained by effects from the establishment of the new division. The high customer activity in the quarter is also reflected in activity-driven income, such as brokerage fee commissions. Total operating expenses amounted to SEK 388m, in line with the fourth quarter. Compared with the first quarter 2021, the 14 per cent increase in expenses was due the establishment of the new division. Net expected credit losses were positive in the quarter and amounted to SEK 1m. See page 8.



## Baltic

The division provides full banking and advisory services to private individuals and small and medium-sized corporate customers in Estonia, Latvia and Lithuania. From 2022, the division manages the Baltic banks' support functions for technology, business support and certain staff units.

### Income statement

SEK m	Q1		Q4	Jan–Mar			Full year
	2022	2021	%	2022	2021	%	2021
Net interest income	808	776	4	808	743	9	3 043
Net fee and commission income	448	462	-3	448	372	20	1 695
Net financial income	167	99	68	167	78	114	345
Net other income	3	1	128	3	3	0	12
<b>Total operating income</b>	<b>1 426</b>	<b>1 338</b>	<b>7</b>	<b>1 426</b>	<b>1 196</b>	<b>19</b>	<b>5 096</b>
Staff costs	-282	-252	12	-282	-195	45	-882
Other expenses	-192	-295	-35	-192	-267	-28	-1 105
Depreciation, amortisation and impairment of tangible and intangible assets	-22	-6		-22	-8	181	-30
<b>Total operating expenses</b>	<b>-496</b>	<b>-553</b>	<b>-10</b>	<b>-496</b>	<b>-470</b>	<b>6</b>	<b>-2 017</b>
<b>Profit before credit losses and imposed levies</b>	<b>929</b>	<b>786</b>	<b>18</b>	<b>929</b>	<b>727</b>	<b>28</b>	<b>3 079</b>
Net expected credit losses	0	8	-94	0	66	-99	216
Imposed levies: Risk tax and resolution fees	-16	-15	3	-16	-18	-10	-62
<b>Operating profit</b>	<b>914</b>	<b>778</b>	<b>17</b>	<b>914</b>	<b>775</b>	<b>18</b>	<b>3 233</b>
Cost/Income ratio	0.35	0.41		0.35	0.39		0.40
Business equity, SEK bn	13.2	12.3		13.2	12.2		12.3
Return on business equity, %	23.5	21.6		23.5	21.6		22.3
FTEs, present <sup>1)</sup>	2 843	2 190		2 836	2 211		2 196

<sup>1)</sup> Quarterly numbers are for end of quarter. Accumulated numbers are average for the period.

- Resilient business sentiment despite the war in Ukraine and sharp increase in inflation
- Private mortgage lending growth coupled with first drop in household deposits in six years
- Operating profit amounted to SEK 914m and return on business equity was 23.5 per cent

### Comments on the first quarter

Most of the Covid-19 restrictions were removed and relatively stable development in economic activity was observed. However, attention turned to the geopolitical uncertainty arising from Russia's invasion of Ukraine with the ensuing sanctions on Russia and Belarus, and to the sharp increase in inflation on top of the already tight labour market. This put pressure on companies' profitability.

Despite competitive pressure from other banks, corporate credit exposure was generally stable where Estonia and Lithuania were able to increase lending to customers who were still willing to invest, while customer-driven foreign exchange activity grew.

Consumer confidence dropped across all Baltic states. Accelerating inflation placed pressure on household consumption. Activity in the residential property market dropped after the invasion of Ukraine as private investment decisions were initially postponed. However, household mortgages continued to grow towards the end of the quarter, despite the uncertain geopolitical situation.

Lending volumes to both private and corporate customers increased by 2 per cent in local currency during the quarter

and amounted to SEK 161bn (157). Deposits from corporate customers continued to grow but decreased from private customers in total for the first time in six years. Overall, deposits grew slightly in local currency to SEK 204bn (200).

Operating profit amounted to SEK 914m. Net interest income increased by 1 per cent in local currency despite the shorter quarter, partially due to increased lending volumes. Net fee and commission income decreased by 6 per cent in local currency, mainly due to seasonally higher performance fees in the prior quarter, despite a recovery in cards activity as Covid-19 restrictions were lifted. Net financial income increased by 63 per cent in local currency due mainly to higher market values of interest rate swaps in the banking book as well as customers' increased activity in foreign exchange. Operating expenses decreased by 13 per cent in local currency mainly due to one-time project costs in the prior quarter, and adjustments to long-term incentive programmes. Net expected credit losses were negligible. Recoveries and positive risk migration were offset by new provisions. See page 8.

## Life

The division offers life insurance solutions to private as well as corporate and institutional clients mainly in the Nordic and Baltic countries.

### Income statement

SEK m	Q1			Q4			Jan–Mar			Full year
	2022	2021	%	2022	2021	%	2022	2021	%	2021
Net interest income	-4	-7	-41	-4	-7	-41	-4	-7	-41	-27
Net fee and commission income	670	762	-12	670	649	3	670	649	3	2 788
Net financial income	159	293	-46	159	262	-39	159	262	-39	1 044
Net other income	6	15	-62	6	2	176	6	2	176	48
<b>Total operating income</b>	<b>831</b>	<b>1 064</b>	<b>-22</b>	<b>831</b>	<b>906</b>	<b>-8</b>	<b>831</b>	<b>906</b>	<b>-8</b>	<b>3 853</b>
Staff costs	-168	-174	-3	-168	-180	-7	-168	-180	-7	-690
Other expenses	-165	-176	-6	-165	-166	0	-165	-166	0	-667
Depreciation, amortisation and impairment of tangible and intangible assets	-5	-5	14	-5	-5	8	-5	-5	8	-20
<b>Total operating expenses</b>	<b>-339</b>	<b>-354</b>	<b>-4</b>	<b>-339</b>	<b>-351</b>	<b>-3</b>	<b>-339</b>	<b>-351</b>	<b>-3</b>	<b>-1 377</b>
<b>Profit before credit losses and imposed levies</b>	<b>492</b>	<b>709</b>	<b>-31</b>	<b>492</b>	<b>555</b>	<b>-11</b>	<b>492</b>	<b>555</b>	<b>-11</b>	<b>2 476</b>
Net expected credit losses	0	0		0	0		0	0		0
Imposed levies: Risk tax and resolution fees										
<b>Operating profit</b>	<b>492</b>	<b>709</b>	<b>-31</b>	<b>492</b>	<b>555</b>	<b>-11</b>	<b>492</b>	<b>555</b>	<b>-11</b>	<b>2 476</b>
Cost/Income ratio	0.41	0.33		0.41	0.39		0.41	0.39		0.36
Business equity, SEK bn	5.3	5.2		5.3	5.4		5.3	5.4		5.3
Return on business equity, %	34.7	50.3		34.7	38.1		34.7	38.1		43.7
FTEs, present <sup>1)</sup>	844	844		849	851		849	851		853

<sup>1)</sup> Quarterly numbers are for end of quarter. Accumulated numbers are average for the period.

- Asset values and operating result affected by adverse market movements
- Positive sales development in Swedish occupational pension area
- Operating profit amounted to SEK 492m and return on business equity was 34.7 per cent

### Comments on the first quarter

The global turmoil that marked the quarter presented increased volatility in the financial markets, stabilising somewhat towards the end of the period. This affected the asset values and operating profit of the division negatively compared with the previous quarter.

Given the uncertainty in the market, advisory activity increased with customers reallocating insurance investments, mainly from equity to interest-bearing placements.

Total assets under management declined to SEK 465bn (505). The main reason was a decline in the market value of unit-linked assets under management which decreased by SEK 37bn to SEK 387bn. The net flow remained positive.

Sales volumes continued to be very strong although investment savings products were somewhat affected by the uncertainty in the financial markets compared with the fourth quarter. The occupational pension business in Sweden continued to develop strongly during the quarter, particularly through SEB's own distribution channels. The market share for the Swedish life insurance business, measured as new business, remained at 14.3<sup>1)</sup> per cent in the last quarter of

2021, meaning that SEB held the number 1 position in the market for two consecutive quarters. Baltic sales were slightly lower than the fourth quarter, and SEB's market position in the region remained strong.

Operating profit decreased by SEK 217m compared with the previous quarter and amounted to SEK 492m. Net fee and commission income decreased by 12 per cent, due to the lower asset values in the unit-linked business and compared with the strong market performance in the fourth quarter. Net financial income decreased from SEK 293m to SEK 159m. This is a result from volatility in the equity markets affecting income from the traditional portfolios in Sweden and the Baltics as well as somewhat lower risk insurance result compared with the fourth quarter. Operating expenses decreased by 4 per cent.

The financial market development in the beginning of the quarter led to a lowering of the bonus rate in the Swedish traditional portfolios from 5 to 4 per cent as of March 1.

<sup>1)</sup> Latest available market statistics from the Swedish insurance trade association, measured as new sales.

## Investment Management

The division consists of SEB Investment Management, which manages SEB funds and mandates distributed via SEB's customer channels, and Institutional Asset Management, which distributes funds and mandates managed by SEB Investment Management and other institutes.

### Income statement

SEK m	Q1			Q4			Jan–Mar			Full year
	2022	2021	%	2022	2021	%	2022	2021	%	2021
Net interest income	-4	-6	-35	-4	-4	-10	-4	-4	-10	-19
Net fee and commission income	922	1 067	-14	922	902	2	922	902	2	3 620
Net financial income	29	19	52	29	12	150	29	12	150	28
Net other income	1	1	-24	1	1	6	1	1	6	5
<b>Total operating income</b>	<b>948</b>	<b>1 082</b>	<b>-12</b>	<b>948</b>	<b>910</b>	<b>4</b>	<b>948</b>	<b>910</b>	<b>4</b>	<b>3 633</b>
Staff costs	-137	-141	-3	-137	-131	5	-137	-131	5	-544
Other expenses	-190	-177	7	-190	-182	4	-190	-182	4	-729
Depreciation, amortisation and impairment of tangible and intangible assets	-3	-3	2	-3	-3	13	-3	-3	13	-11
<b>Total operating expenses</b>	<b>-330</b>	<b>-322</b>	<b>3</b>	<b>-330</b>	<b>-316</b>	<b>4</b>	<b>-330</b>	<b>-316</b>	<b>4</b>	<b>-1 283</b>
<b>Profit before credit losses and imposed levies</b>	<b>618</b>	<b>760</b>	<b>-19</b>	<b>618</b>	<b>594</b>	<b>4</b>	<b>618</b>	<b>594</b>	<b>4</b>	<b>2 350</b>
Net expected credit losses	0	0		0	0		0	0		0
Imposed levies: Risk tax and resolution fees	0	0		0	0	-1	0	0	-1	-1
<b>Operating profit</b>	<b>618</b>	<b>760</b>	<b>-19</b>	<b>618</b>	<b>594</b>	<b>4</b>	<b>618</b>	<b>594</b>	<b>4</b>	<b>2 349</b>
Cost/Income ratio	0.35	0.30		0.35	0.35		0.35	0.35		0.35
Business equity, SEK bn	2.4	2.4		2.4	2.4		2.4	2.4		2.4
Return on business equity, %	79.2	98.2		79.2	76.4		79.2	76.4		76.1
FTEs, present <sup>1)</sup>	255	250		250	256		250	256		252

<sup>1)</sup> Quarterly numbers are for end of quarter. Accumulated numbers are average for the period.

- Macroeconomic environment affected both assets under management and net flows negatively
- Funds classified as Article 8 and 9 represented 84 per cent of SEB-labelled mutual funds
- Operating profit amounted to SEK 618m and return on business equity was 79.2 per cent

### Comments on the first quarter

The global turmoil that marked the quarter had large effects on the assets under management which decreased by SEK 100bn and total assets under management for the division amounted to SEK 1,215bn (1,315). Net flow was negative and amounted to SEK -18bn with outflows in most asset classes.

Within *SEB Investment Management*, the market environment affected the assets under management for SEB-labelled mutual funds which decreased by SEK 72bn during the quarter and amounted to SEK 759bn (831) with large negative effects in equity and mixed products but also some of the fixed income products. SEB-labelled mutual funds classified in line with Article 8 and 9<sup>1</sup> in the Sustainable Finance Disclosure Regulation (SFDR) amounted to SEK 636bn (678) which represented 84 per cent of assets

under management (82). Of the total, SEK 617bn was classified as Article 8 and SEK 19bn as Article 9.

Within *Institutional Asset Management*, the quarter was also challenging given the current geopolitical and macro-economic environment. Most clients were hesitant making major changes to their portfolios given the uncertainty. However, client interest in alternative products and sustainable strategies continued to be high.

Operating income amounted to SEK 948m (1,082) mainly driven by the lower performance fees after two seasonal items in the prior quarter and amounting to SEK 164m (285). Base commissions also decreased and amounted to SEK 754m (780) where specifically lower asset values caused a decrease of 6 per cent. Operating expenses increased slightly compared with the last quarter and amounted to SEK 330m (322). Operating profit amounted to SEK 618m (760).

<sup>1</sup> Article 8 refers to funds that promote environmental or social characteristics while Article 9 funds must have a sustainable investment objective. See [esma.europa.eu](https://esma.europa.eu).

## Financial statements – SEB Group

### Income statement, condensed

SEK m	Note	Q1			Q4			Jan-Mar			Full year
		2022	2021	%	2022	2021	%	2022	2021	%	2021
Net interest income	2	7 062	6 717	5	7 062	6 300	12	26 097			
Net fee and commission income	3	5 398	5 885	-8	5 398	4 776	13	21 142			
Net financial income	4	2 334	1 517	54	2 334	2 543	-8	8 235			
Net other income		-25	8		-25	-3		164			
<b>Total operating income</b>		<b>14 768</b>	<b>14 127</b>	<b>5</b>	<b>14 768</b>	<b>13 616</b>	<b>8</b>	<b>55 638</b>			
Staff costs		-3 762	-3 795	-1	-3 762	-3 897	-3	-15 372			
Other expenses		-1 543	-1 616	-5	-1 543	-1 345	15	-5 763			
Depreciation, amortisation and impairment of tangible and intangible assets		-488	-687	-29	-488	-476	3	-2 110			
<b>Total operating expenses</b>		<b>-5 793</b>	<b>-6 097</b>	<b>-5</b>	<b>-5 793</b>	<b>-5 718</b>	<b>1</b>	<b>-23 245</b>			
<b>Profit before credit losses and imposed levies</b>		<b>8 974</b>	<b>8 030</b>	<b>12</b>	<b>8 974</b>	<b>7 898</b>	<b>14</b>	<b>32 393</b>			
Net expected credit losses	5	-535	-299	79	-535	-156		-510			
Imposed levies: Risk tax and resolution fees	6	-582	-255	128	-582	-267	118	-1 019			
<b>Operating profit</b>		<b>7 857</b>	<b>7 476</b>	<b>5</b>	<b>7 857</b>	<b>7 475</b>	<b>5</b>	<b>30 864</b>			
Income tax expense		-1 454	-1 278	14	-1 454	-1 457	0	-5 441			
<b>NET PROFIT</b>		<b>6 403</b>	<b>6 198</b>	<b>3</b>	<b>6 403</b>	<b>6 018</b>	<b>6</b>	<b>25 423</b>			
Attributable to shareholders of Skandinaviska Enskilda Banken AB		6 403	6 198	3	6 403	6 018	6	25 423			
Basic earnings per share, SEK		2.98	2.87		2.98	2.78		11.75			
Diluted earnings per share, SEK		2.96	2.85		2.96	2.76		11.67			

Comparative figures for 2021 have been restated. See section on restated comparative figures for further information.

### Statement of comprehensive income

SEK m	Q1			Q4			Jan-Mar			Full year
	2022	2021	%	2022	2021	%	2022	2021	%	2021
<b>NET PROFIT</b>	<b>6 403</b>	<b>6 198</b>	<b>3</b>	<b>6 403</b>	<b>6 018</b>	<b>6</b>	<b>6 403</b>	<b>6 018</b>	<b>6</b>	<b>25 423</b>
Cash flow hedges	30	4		30	11	180		29		
Translation of foreign operations	166	328	-50	166	467	-65		680		
<b>Items that may subsequently be reclassified to the income statement:</b>	<b>196</b>	<b>332</b>	<b>-41</b>	<b>196</b>	<b>477</b>	<b>-59</b>		<b>708</b>		
Own credit risk adjustment (OCA) <sup>1)</sup>	34	5		34	9			14		
Defined benefit plans	840	4 889	-83	840	5 310	-84		14 061		
<b>Items that will not be reclassified to the income statement:</b>	<b>874</b>	<b>4 895</b>	<b>-82</b>	<b>874</b>	<b>5 319</b>	<b>-84</b>		<b>14 075</b>		
<b>OTHER COMPREHENSIVE INCOME</b>	<b>1 070</b>	<b>5 227</b>	<b>-80</b>	<b>1 070</b>	<b>5 797</b>	<b>-82</b>		<b>14 783</b>		
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>7 473</b>	<b>11 425</b>	<b>-35</b>	<b>7 473</b>	<b>11 814</b>	<b>-37</b>		<b>40 206</b>		
Attributable to shareholders of Skandinaviska Enskilda Banken AB	7 473	11 425	-35	7 473	11 814	-37		40 206		

1) Own credit risk adjustment from financial liabilities at fair value through profit or loss.

## Balance sheet, condensed

SEK m	31 Mar 2022	31 Dec 2021
Cash and cash balances at central banks	632 337	439 344
Loans to central banks	9 734	4 454
Loans to credit institutions <sup>2)</sup>	74 885	60 009
Loans to the public	1 931 410	1 846 362
Debt securities	337 982	205 950
Equity instruments	112 920	120 742
Financial assets for which the customers bear the investment risk	384 460	422 497
Derivatives	156 313	126 051
Other assets	126 158	78 822
<b>TOTAL ASSETS</b>	<b>3 766 200</b>	<b>3 304 230</b>
Deposits from central banks and credit institutions	168 524	75 206
Deposits and borrowings from the public <sup>1)</sup>	1 854 211	1 597 449
Financial liabilities for which the customers bear the investment risk	386 625	424 226
Liabilities to policyholders	33 243	34 623
Debt securities issued	778 593	730 106
Short positions	56 982	34 569
Derivatives	163 486	118 173
Other financial liabilities	6 728	5 721
Other liabilities	131 278	90 929
<b>Total liabilities</b>	<b>3 579 670</b>	<b>3 111 002</b>
<b>Equity</b>	<b>186 530</b>	<b>193 228</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3 766 200</b>	<b>3 304 230</b>
1) Deposits covered by deposit guarantees	390 351	387 382
2) Loans to credit institutions and liquidity placements with other direct participants in interbank fund transfer systems.		

A more detailed balance sheet is available in the Fact Book.

## Statement of changes in equity

SEK m	Other reserves <sup>1)</sup>						Equity
	Share capital	OCA <sup>2)</sup>	Cash flow hedges	Translation of foreign operations	Defined benefit plans	Retained earnings	
<b>Jan-Mar 2022</b>							
Opening balance	21 942	-223	-18	-561	19 798	152 290	193 228
Net profit						6 403	6 403
Other comprehensive income (net of tax)		34	30	166	840		1 070
<b>Total comprehensive income</b>		<b>34</b>	<b>30</b>	<b>166</b>	<b>840</b>	<b>6 403</b>	<b>7 473</b>
Dividend to shareholders						-12 884	-12 884
Equity-based programmes						-75	-75
Change in holdings of own shares <sup>4)</sup>						-1 213	-1 213
<b>Closing balance</b>	<b>21 942</b>	<b>-188</b>	<b>12</b>	<b>-396</b>	<b>20 638</b>	<b>144 521</b>	<b>186 530</b>
<b>Jan-Dec 2021</b>							
Opening balance	21 942	-236	-47	-1 241	5 737	145 788	171 943
Net profit						25 423	25 423
Other comprehensive income (net of tax)		14	29	680	14 061		14 783
<b>Total comprehensive income</b>		<b>14</b>	<b>29</b>	<b>680</b>	<b>14 061</b>	<b>25 423</b>	<b>40 206</b>
Dividend to shareholders						-17 740	-17 740
Equity-based programmes <sup>3)</sup>						-167	-167
Change in holdings of own shares <sup>3)4)</sup>						-1 015	-1 015
<b>Closing balance<sup>3)</sup></b>	<b>21 942</b>	<b>-223</b>	<b>-18</b>	<b>-561</b>	<b>19 798</b>	<b>152 290</b>	<b>193 228</b>
<b>Jan-Mar 2021</b>							
Opening balance	21 942	-236	-47	-1 241	5 737	145 788	171 943
Net profit						6 018	6 018
Other comprehensive income (net of tax)		9	11	467	5 310		5 797
<b>Total comprehensive income</b>		<b>9</b>	<b>11</b>	<b>467</b>	<b>5 310</b>	<b>6 018</b>	<b>11 814</b>
Dividend to shareholders						-8 871	-8 871
Equity-based programmes <sup>3)</sup>						-55	-55
Change in holdings of own shares <sup>3)4)</sup>						13	13
<b>Closing balance<sup>3)</sup></b>	<b>21 942</b>	<b>-227</b>	<b>-36</b>	<b>-774</b>	<b>11 047</b>	<b>142 894</b>	<b>174 845</b>

1) Amounts under Other reserves may be reclassified in the future to the income statement under certain circumstances, e.g. if they are related to dissolved Cash flow hedges or Translation of foreign operations when SEB ceases to consolidate a foreign operation. Amounts related to OCA and Defined benefit plans will not be reclassified to the income statement.

2) Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in own credit risk.

3) Restated following adjustment of changes in holdings of own shares.

4) Number of shares owned by SEB:

	Jan-Mar 2022	Jan-Dec 2021	Jan-Mar 2021
<b>Number of shares owned by SEB, million</b>			
Opening balance	37.8	32.2	32.2
Repurchased shares for equity-based programmes	2.2	2.9	1.5
Sold/distributed shares	-2.5	-7.5	-3.1
Repurchased shares for capital purposes	10.0	10.2	
<b>Closing balance</b>	<b>47.5</b>	<b>37.8</b>	<b>30.6</b>
Market value of shares owned by SEB, SEK m	4 867	4 754	3 252
Net acquisition cost for purchase of own shares for equity based programmes deducted from equity, period	37	-361	-134
Net acquisition cost for purchase of own shares for equity-based programmes deducted from equity, accumulated	2 495	2 458	2 686

In accordance with the decision by the Annual General Meeting, SEB holds own shares of Class A for the long-term equity programmes and capital purposes. The transactions may take place at one or several occasions during the year.

## Cash flow statement, condensed

SEK m	Jan-Mar			Full year
	2022	2021	%	2021
Cash flow from the profit and loss statement	24 055	- 20 465		- 199
Increase (-)/decrease (+) in trading portfolios	- 107 401	- 138 417	- 22	35 465
Increase (+)/decrease (-) in issued short term securities	47 919	78 319	- 39	- 17 662
Increase (-)/decrease (+) in lending	- 104 340	- 33 426		- 91 432
Increase (+)/decrease (-) in deposits and borrowings	350 035	280 534	25	190 114
Increase/decrease in other balance sheet items	- 7 213	14 875		14 005
<b>Cash flow from operating activities</b>	<b>203 055</b>	<b>181 419</b>	<b>12</b>	<b>130 291</b>
Cash flow from investing activities	- 483	- 438	10	- 846
Cash flow from financing activities	- 12 884	- 8 871	45	- 22 227
<b>Net increase in cash and cash equivalents</b>	<b>189 688</b>	<b>172 111</b>	<b>10</b>	<b>107 218</b>
Cash and cash equivalents at the beginning of year	445 716	331 247	35	331 247
Exchange rate differences on cash and cash equivalents	4 931	5 584	- 12	7 251
Net increase in cash and cash equivalents	189 688	172 111	10	107 218
<b>Cash and cash equivalents at the end of period<sup>1)</sup></b>	<b>640 335</b>	<b>508 942</b>	<b>26</b>	<b>445 716</b>

1) Cash and cash equivalents at the end of period is defined as Cash and cash balances with central banks and Loans to other credit institutions payable on demand.



# Notes to the financial statements - SEB Group

## Note 1 Accounting policies and presentation

This Report is presented in accordance with *IAS 34 Interim Financial Reporting*. The group's consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations of these standards as adopted by the European Commission. The accounting also follows the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the regulation and general guidelines issued by the Swedish Financial Supervisory Authority: Annual Reports in Credit Institutions and Securities Companies (FFFS 2008:25). In addition, the Supplementary Accounting Rules for Groups (RFR 1) from the Swedish Financial Reporting Board have been applied. The parent company has prepared its accounts in accordance with Swedish Annual Act for Credit Institutions and Securities Companies, the Swedish Financial Supervisory Authority's Regulations and General Guidelines (FFFS 2008:25) on Annual Reports in Credit Institutions and Securities Companies and the Supplementary Accounting Rules for Legal Entities (RFR 2) issued by the Swedish Financial Reporting Board.

As of 1 January 2022, SEB has made several changes to the presentation of the Income statement and as a result the comparative figures have been restated see section on restated comparative figures for more information. In conjunction with the introduction of the Swedish risk tax, the group has changed the presentation of the Income statement by adding a new reporting line Imposed levies: risk tax and resolution fees. Resolution fees, previously presented in Net interest income, are also presented in Imposed levies going forward. The reporting line Profit before credit losses has

been changed to Profit before credit losses and imposed levies. The purpose of the changes is to clarify the reporting and facilitate the comparison of operating profit between periods. SEB invests in interest-bearing securities both for customer purposes and for liquidity management purposes. These securities are classified as held for trading or mandatorily at fair value through profit or loss and changes in fair value of these securities are recognised in Net financial income, and the interest in Net interest income. Going forward, the amortisation of premium or discount from acquisition of these securities is presented in Net interest income instead of in Net financial income. In addition, the reporting line Gains less losses from tangible and intangible assets is removed. The changes in presentation have not had any impact on the profit or loss, or equity. SEB has, to reflect the current reporting and decision-making process, changed the presentation of reportable segments. For more information, see Business segments p. 12.

As of 1 January 2022, the group applies the following amendments to IFRS standards: IFRS 3 *Business Combinations* – Reference to the Conceptual Framework. specification to IAS 37 *Provisions, Contingent Liabilities and Contingent assets* – Onerous Contracts and 2018-2020 annual improvements to IFRS. The implementation has had no impact on the group's financial position, earnings, cash flow or disclosures.

In all other material aspects, the group's and the parent company's accounting policies, basis for calculations and presentations are unchanged in comparison with the 2021 Annual and Sustainability Report.

## Note 2 Net interest income

SEK m	Q1		%	Jan-Mar			Full year
	2022	2021		2022	2021	2021	
Interest income <sup>1)</sup>	8 399	7 895	6	8 399	7 841	7	31 383
Interest expense	-1 337	-1 178	13	-1 337	-1 541	-13	-5 286
<b>Net interest income</b>	<b>7 062</b>	<b>6 717</b>	<b>5</b>	<b>7 062</b>	<b>6 300</b>	<b>12</b>	<b>26 097</b>
1) Of which interest income calculated using the effective interest method	7 432	7 023	6	7 432	6 823	9	27 752

Comparative figures for 2021 have been restated. See section on restated comparative figures for further information.

### Note 3 Net fee and commission income

SEK m	Q1			Q4			Jan-Mar			Full year
	2022	2021	%	2022	2021	%	2022	2021	%	2021
Issue of securities and advisory services	422	556	-24	422	322	31	422	322	31	1 954
Secondary market and derivatives	562	548	3	562	519	8	562	519	8	2 014
Custody and mutual funds	2 762	2 822	-2	2 762	2 339	18	2 762	2 339	18	10 004
<i>Whereof performance fees</i>	164	301	-46	164	219	-25	164	219	-25	675
Payments, cards, lending, deposits, guarantees and other	2 805	2 922	-4	2 805	2 351	19	2 805	2 351	19	10 485
<i>Whereof payments and card fees</i>	1 474	1 492	-1	1 474	1 181	25	1 474	1 181	25	5 384
<i>Whereof lending</i>	804	984	-18	804	686	17	804	686	17	3 200
Life insurance commissions	376	431	-13	376	411	-9	376	411	-9	1 672
<b>Fee and commission income</b>	<b>6 926</b>	<b>7 279</b>	<b>-5</b>	<b>6 926</b>	<b>5 942</b>	<b>17</b>	<b>6 926</b>	<b>5 942</b>	<b>17</b>	<b>26 129</b>
<b>Fee and commission expense</b>	<b>-1 528</b>	<b>-1 394</b>	<b>10</b>	<b>-1 528</b>	<b>-1 166</b>	<b>31</b>	<b>-1 528</b>	<b>-1 166</b>	<b>31</b>	<b>-4 987</b>
<b>Net fee and commission income</b>	<b>5 398</b>	<b>5 885</b>	<b>-8</b>	<b>5 398</b>	<b>4 776</b>	<b>13</b>	<b>5 398</b>	<b>4 776</b>	<b>13</b>	<b>21 142</b>
<i>Whereof Net securities commissions</i>	2 727	3 148	-13	2 727	2 494	9	2 727	2 494	9	11 079
<i>Whereof Net payment and card fees</i>	969	985	-2	969	762	27	969	762	27	3 512
<i>Whereof Net life insurance commissions</i>	276	327	-16	276	292	-5	276	292	-5	1 207
<i>Whereof Other commissions</i>	1 425	1 424	0	1 425	1 228	16	1 425	1 228	16	5 344

## Fee and commission income by segment

SEK m	Large Corporates & Financial Institutions	Corporate & Private Customers	Private Wealth Mgmt & Family Office	Baltic	Life	Investment Management	Group Functions	Eliminations	SEB Group
<b>Q1 2022</b>									
Issue of securities and advisory	409	3	9		0		0		422
Secondary market and derivatives	452	13	90	11	0	4	-7	0	562
Custody and mutual funds	429	281	291	54	51	2 200	0	-544	2 762
Payments, cards, lending, deposits, guarantees and other	1 259	1 071	64	543	51	17	71	-271	2 805
Life insurance commissions					827			-451	376
<b>Fee and commission income</b>	<b>2 548</b>	<b>1 367</b>	<b>453</b>	<b>608</b>	<b>930</b>	<b>2 222</b>	<b>63</b>	<b>-1 267</b>	<b>6 926</b>
<b>Q4 2021</b>									
Issue of securities and advisory	546	3	7	0			0		556
Secondary market and derivatives	448	33	60	11	0	1	-1	-4	548
Custody and mutual funds	335	288	272	61	79	2 474	0	-687	2 822
Payments, cards, lending, deposits, guarantees and other	1 357	1 116	72	545	56	14	76	-312	2 922
Life insurance commissions					914			-483	431
<b>Fee and commission income</b>	<b>2 685</b>	<b>1 439</b>	<b>411</b>	<b>617</b>	<b>1 049</b>	<b>2 489</b>	<b>75</b>	<b>-1 486</b>	<b>7 279</b>
<b>Jan-Mar 2022</b>									
Issue of securities and advisory	409	3	9		0		0		422
Secondary market and derivatives	452	13	90	11	0	4	-7	0	562
Custody and mutual funds	429	281	291	54	51	2 200	0	-544	2 762
Payments, cards, lending, deposits, guarantees and other	1 259	1 071	64	543	51	17	71	-271	2 805
Life insurance commissions					827			-451	376
<b>Fee and commission income</b>	<b>2 548</b>	<b>1 367</b>	<b>453</b>	<b>608</b>	<b>930</b>	<b>2 222</b>	<b>63</b>	<b>-1 267</b>	<b>6 926</b>
<b>Jan-Mar 2021</b>									
Issue of securities and advisory	315	1	5	0					322
Secondary market and derivatives	407	38	69	13	0	2	-7	-4	519
Custody and mutual funds	391	251	209	49	50	1 875	1	-488	2 339
Payments, cards, lending, deposits, guarantees and other	1 102	895	60	457	50	20	84	-317	2 351
Life insurance commissions					832			-421	411
<b>Fee and commission income</b>	<b>2 216</b>	<b>1 186</b>	<b>344</b>	<b>519</b>	<b>933</b>	<b>1 897</b>	<b>77</b>	<b>-1 230</b>	<b>5 942</b>

Fee and commission income is disaggregated in major types of service tied to primary geographical markets and operating segments. Revenues from Issue of securities and advisory, Secondary market and derivatives, Payments, cards, lending and deposits are mainly recognised at a point in time. Revenues from Custody and mutual funds and Life insurance commissions are mainly recognised over time.

Comparative figures for 2021 have been restated. See section on restated comparative figures for further information.

## Note 4 Net financial income

SEK m	Q1		Q4		Jan-Mar			Full year
	2022	2021	%	2022	2021	%	2021	
Equity instruments and related derivatives	129	- 61		129	855	-85	2 387	
Debt instruments and related derivatives	165	145	14	165	259	-36	558	
Currency and related derivatives	1 309	881	49	1 309	769	70	3 488	
Other	730	552	32	730	660	11	1 802	
<b>Net financial income</b>	<b>2 334</b>	<b>1 517</b>	<b>54</b>	<b>2 334</b>	<b>2 543</b>	<b>-8</b>	<b>8 235</b>	
<i>Whereof unrealised valuation changes from counterparty risk and own credit standing in derivatives</i>	249	- 35		249	212		300	

Comparative figures for 2021 have been restated. See section on restated comparative figures for further information.

## Note 5 Net expected credit losses

SEK m	Q1		Q4		Jan-Mar			Full year
	2022	2021	%	2022	2021	%	2021	
Impairment gains or losses - Stage 1	- 422	- 190	123	- 422	35		- 105	
Impairment gains or losses - Stage 2	254	- 24		254	- 376		- 233	
Impairment gains or losses - Stage 3	- 373	- 62		- 373	177		- 185	
<b>Impairment gains or losses</b>	<b>- 541</b>	<b>- 275</b>	<b>97</b>	<b>- 541</b>	<b>- 164</b>		<b>- 523</b>	
<b>Write-offs and recoveries</b>								
Total write-offs	-1 360	-1 137	20	-1 360	- 517	163	- 2 624	
Reversals of allowance for write-offs	1 311	1 062	23	1 311	463	183	2 395	
Write-offs not previously provided for	- 49	- 75	-35	- 49	- 54	-9	- 229	
Recovered from previous write-offs	55	52	6	55	62	-11	242	
<b>Net write-offs</b>	<b>6</b>	<b>- 23</b>		<b>6</b>	<b>8</b>	<b>-24</b>	<b>13</b>	
<b>Net expected credit losses</b>	<b>- 535</b>	<b>- 299</b>	<b>79</b>	<b>- 535</b>	<b>- 156</b>		<b>- 510</b>	
Net ECL level, %	0.08	0.05		0.08	0.03		0.02	

Exposure and expected credit loss (ECL) allowances by stage, Movements in allowances for expected credit losses (ECL), Loans and expected credit loss (ECL) allowances by industry are presented in notes 10-12.

## Note 6 Imposed levies: risk tax and resolution fees

SEK m	Q1		Q4		Jan-Mar			Full year
	2022	2021	%	2022	2021	%	2021	
Risk tax	- 296			- 296				
Resolution fees	- 287	- 255	12	- 287	- 267	7	- 1 019	
<b>Imposed levies: Risk tax and resolution fees</b>	<b>- 582</b>	<b>- 255</b>	<b>128</b>	<b>- 582</b>	<b>- 267</b>	<b>118</b>	<b>- 1 019</b>	

Within Imposed levies, the new Swedish risk tax on banks is presented as well as resolution fees, which were previously presented in Net interest income. See section on restated comparative figures for further information.

## Note 7 Pledged assets and obligations

SEK m	31 Mar 2022	31 Dec 2021
Pledged assets for own liabilities <sup>1)</sup>	605 093	541 308
Pledged assets for liabilities to insurance policyholders	419 867	458 849
Other pledged assets <sup>2)</sup>	70 796	66 226
<b>Pledged assets</b>	<b>1 095 756</b>	<b>1 066 382</b>
Contingent liabilities <sup>3)</sup>	165 550	160 294
Commitments	801 427	813 936
<b>Obligations</b>	<b>966 977</b>	<b>974 231</b>

1) Of which collateralised for own issued covered bonds SEK 327,365m (293,858).

2) Of which securities lending SEK 150m (897) and pledged but unencumbered bonds SEK 35,670m (33,424).

3) Of which financial guarantees SEK 10,115m (10,281).

## Note 8 Financial assets and liabilities

SEK m	31 Mar 2022		31 Dec 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Loans <sup>1)</sup>	2 645 640	2 629 551	2 348 011	2 346 280
Debt securities	337 982	337 959	205 950	205 919
Equity instruments	112 920	112 920	120 742	120 742
Financial assets for which the customers bear the investment risk	384 460	384 460	422 497	422 497
Derivatives	156 313	156 313	126 051	126 051
Other	59 290	59 290	16 282	16 282
<b>Financial assets</b>	<b>3 696 606</b>	<b>3 680 494</b>	<b>3 239 534</b>	<b>3 237 772</b>
Deposits	2 022 736	2 022 831	1 672 655	1 673 103
Financial liabilities for which the customers bear the investment risk	386 625	386 625	424 226	424 226
Debt securities issued <sup>2)</sup>	807 318	799 388	758 655	765 856
Short positions	56 982	56 982	34 569	34 569
Derivatives	163 486	163 486	118 173	118 173
Other	69 302	68 802	20 961	20 962
<b>Financial liabilities</b>	<b>3 506 448</b>	<b>3 498 113</b>	<b>3 029 240</b>	<b>3 036 890</b>

1) Loans includes Cash balances at central banks (excluding Cash), Loans to central banks, Loans to credit institutions and Loans to the public.

2) Debt securities issued includes Debt securities issued and Subordinated liabilities (part of Other liabilities).

SEB has classified its financial instruments by class taking into account the characteristics of the instruments. The fair value of each class of financial assets and liabilities are compared with its carrying amount. A description of the characteristics of the classes can be found in note 37 in the Annual and Sustainability Report 2021.

## Note 9 Assets and liabilities measured at fair value

SEK m	31 Mar 2022				31 Dec 2021			
	Quoted prices in active markets (Level 1)	Valuation technique using observable inputs (Level 2)	Valuation technique using non-observable inputs (Level 3)	Total	Quoted prices in active markets (Level 1)	Valuation technique using observable inputs (Level 2)	Valuation technique using non-observable inputs (Level 3)	Total
<b>Assets</b>								
Loans		106 368		<b>106 368</b>		85 032	70	<b>85 102</b>
Debt securities	165 072	164 524	218	<b>329 814</b>	95 783	101 575	49	<b>197 407</b>
Equity instruments	91 927	892	20 101	<b>112 920</b>	100 548	558	19 635	<b>120 742</b>
Financial assets for which the customers bear the investment risk	365 522	10 610	8 328	<b>384 460</b>	404 178	10 545	7 774	<b>422 497</b>
Derivatives	3 192	152 794	327	<b>156 313</b>	1 115	124 632	305	<b>126 051</b>
Investment in associates <sup>1)</sup>	66		711	<b>777</b>	80		622	<b>702</b>
<b>Total</b>	<b>625 779</b>	<b>435 188</b>	<b>29 686</b>	<b>1 090 654</b>	<b>601 704</b>	<b>322 341</b>	<b>28 456</b>	<b>952 501</b>
<b>Liabilities</b>								
Deposits		38 277		<b>38 277</b>		10 169		<b>10 169</b>
Financial liabilities for which the customers bear the investment risk	367 686	10 610	8 328	<b>386 625</b>	405 907	10 545	7 774	<b>424 226</b>
Debt securities issued		8 789		<b>8 789</b>		10 453		<b>10 453</b>
Short positions	22 030	34 952		<b>56 982</b>	14 887	19 683		<b>34 569</b>
Derivatives	1 346	161 806	334	<b>163 486</b>	872	116 973	329	<b>118 173</b>
Other financial liabilities at fair value	72	6 656		<b>6 728</b>	4	5 717		<b>5 721</b>
<b>Total</b>	<b>391 135</b>	<b>261 090</b>	<b>8 662</b>	<b>660 887</b>	<b>421 670</b>	<b>173 539</b>	<b>8 103</b>	<b>603 312</b>

1) Venture capital activities designated at fair value through profit and loss.

### Fair value measurement

The objective of the fair value measurement is to arrive at the price at which an orderly transaction would take place between market participants at the measurement date under current market conditions.

The group has an established control environment for the determination of fair values of financial instruments that includes a review, independent from the business, of valuation models and prices. If the validation principles are not adhered to, the Head of Group Finance shall be informed. Exceptions of material and principal importance require approval from the Valuation Committee / GRMC (Group Risk Measurement Committee) and the ARC (Accounting Reporting Committee).

In order to arrive at the fair value of a financial instrument SEB uses different methods; quoted prices in active markets, valuation techniques incorporating observable data and valuation techniques based on internal models. For disclosure purposes, financial instruments carried at fair value are classified in a fair value hierarchy according to the level of market observability of the inputs. Group Risk classifies and continuously reviews the classification of financial instruments in the fair value hierarchy. The valuation process is the same for financial instruments in all levels.

An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis. The objective is to arrive at a price at which a transaction without modification or repackaging would occur in the principal market for the instrument to which SEB has immediate access.

Fair value is generally measured for individual financial instruments, in addition portfolio adjustments are made to cover the credit risk. To reflect counterparty risk and own credit risk in OTC derivatives, adjustments are made based on the net exposure towards each counterparty. These adjustments are calculated on a counterparty level based on estimates of exposure at default, probability of default and recovery rates. Probability of default and recovery rate information is generally sourced from the CDS markets. For counterparties where this information is not available, or considered unreliable due to the nature of the exposure, alternative approaches are taken where the probability of default is based on generic credit indices for specific industry and/or rating.

When valuing financial liabilities at fair value SEB's own credit standing is reflected.

In order to arrive at the fair value of investment properties a market participant's ability to generate economic benefit by using the asset in its highest and best use are taken into account. The highest and best use takes into account the use of the asset that is physically possible, legally permissible and financially feasible. The current use of the investment properties in SEB is in accordance with the highest and best use. The valuation of investment properties is described in the accounting policies in the Annual and Sustainability Report note 1. The valuation of the investment properties is performed semi-annually, they are presented and approved by the board in each real estate company. The valuation principles used in all entities are in accordance with regulations provided by the local Financial Supervisory Authorities (FSA) which is in accordance with international valuation principles and in accordance with IFRS.

### Level 1: Quoted market prices

Valuations in Level 1 are determined by reference to unadjusted quoted market prices for identical instruments in active markets where the quoted prices are readily available and the prices represent actual and regularly occurring market transactions on an arm's length basis.

Examples of Level 1 financial instruments are listed equity securities, debt securities, and exchange-traded derivatives. Instruments traded in an active market for which one or more market participants provide a binding price quotation on the balance sheet date are also examples of Level 1 financial instruments.

### Level 2: Valuation techniques with observable inputs

In Level 2 valuation techniques, all significant inputs to the valuation models are observable either directly or indirectly. Level 2 valuation techniques include using discounted cash flows, option pricing models, recent transactions and the price of another instrument that is substantially the same.

Examples of observable inputs are foreign currency exchange rates, binding securities price quotations, market interest rates (Stibor, Libor, etc.), volatilities implied from observable option prices for the same term and actual transactions with one or more external counterparties executed by SEB. An input can transfer from being observable to being unobservable during the holding period due to e.g. illiquidity of the instrument. Examples of Level 2 financial instruments are most OTC derivatives such as options and interest rate swaps based on the Libor swap rate or a foreign-denominated yield curve. Other examples are instruments for which SEB recently entered into transactions with third parties and instruments for which SEB interpolates between observable variables.

## Note 9, continued. Assets and liabilities measured at fair value

### Level 3: Valuation techniques with significant unobservable inputs

Level 3 valuation techniques incorporate significant inputs that are unobservable. These techniques are generally based on extrapolating from observable inputs for similar instruments, analysing historical data or other analytical techniques. Examples of Level 3 financial instruments are more complex OTC derivatives, long dated options for which the volatility is extrapolated or derivatives that depend on an unobservable correlation. Other examples are instruments for which there is currently no active market or binding quotes, such as unlisted equity instruments, private equity holdings and investment properties.

If the fair value of financial instruments includes more than one unobservable input, the unobservable inputs are aggregated in order to determine the classification of the entire instrument. The level in the fair value hierarchy within which a financial instrument is classified is determined on the basis of the lowest level of input that is significant to the fair value in its entirety.

### Significant transfers and reclassifications between levels

Transfers between levels may occur when there are indications that market conditions have changed, e.g. a change in liquidity. The Valuation / Pricing committee of each relevant division decides on material shifts between levels. During the first quarter transfers occurred from Level 1 and Level 2 to Level 3 of SEK 0.2bn within Debt instruments of Ukrainian government bonds. Additionally within Equity instruments, transfers occurred from Level 1 and Level 2 into Level 3 of SEK 0.9bn of Russian / Eastern Europe Funds. Following a review of Hedge Funds, within Equity instruments, a transfer out of Level 3 occurred of SEK 0.5bn. The largest open market risk within Level 3 financial instruments remains in the traditional life insurance investment portfolios within the insurance business.

Changes in level 3, SEK m	Opening balance	Gain/loss in Income statement <sup>1)</sup>	Gain/loss in Other comprehensive income	Purchases	Sales	Settlements	Transfers into	Transfers out of	Exchange rate differences	Closing balance
	1 Jan 2022							Level 3		Level 3
<b>Assets</b>										
Loans	70	23			-94				1	0
Debt securities	49						173		-4	218
Equity instruments	19 635	862		1 797	-1 750			-520	77	20 101
Financial assets for which the customers bear the investment risk	7 774	-125		302	-573		855	-2	97	8 328
Derivatives	305	21				1				327
Investment in associates	622	49		40						711
<b>Total</b>	<b>28 456</b>	<b>830</b>		<b>2 139</b>	<b>-2 417</b>	<b>1</b>	<b>1 028</b>	<b>-522</b>	<b>171</b>	<b>29 686</b>
<b>Liabilities</b>										
Financial liabilities for which the customers bear the investment risk	7 774	-124		302	-573		853		96	8 328
Derivatives	329	6		-3		2				334
<b>Total</b>	<b>8 103</b>	<b>-118</b>		<b>299</b>	<b>-573</b>	<b>2</b>	<b>853</b>		<b>96</b>	<b>8 662</b>

1) Fair value gains and losses recognised in the income statement are included in Net financial income and Net other income.

### Sensitivity of Level 3 assets and liabilities to unobservable inputs

The table below illustrates the potential Profit or Loss impact of the relative uncertainty in the fair value of assets and liabilities that for their valuation are dependent on unobservable inputs. The sensitivity to unobservable inputs is assessed by altering the assumptions to the valuation techniques, illustrated below by changes in index-linked swap spreads, implied volatilities, credit spreads or comparator multiples. It is unlikely that all unobservable inputs would be simultaneously at the extremes of their ranges of reasonably possible alternatives.

SEK m	31 Mar 2022				31 Dec 2021			
	Assets	Liabilities	Net	Sensitivity	Assets	Liabilities	Net	Sensitivity
Derivative instruments <sup>1)4)</sup>	326	-334	-8	76	303	-325	-22	36
Debt instruments <sup>3)</sup>	133		133	15	119		119	6
Equity instruments <sup>2)5)6)</sup>	5 147		5 147	935	5 951		5 951	1 043
Insurance holdings - Financial instruments <sup>3)4)6)7)</sup>	15 517		15 517	2 040	14 176		14 176	1 847

1) Volatility valuation inputs for Bermudan swaptions are unobservable. Volatilities used for ordinary swaptions are adjusted further in order to reflect the additional uncertainty associated with the valuation of Bermudan style swaptions. The sensitivity is calculated from shift in implied volatilities and aggregated from each currency and maturity bucket.

2) Valuation is estimated in a range of reasonable outcomes. Sensitivity analysis is based on 20 per cent shift in market values.

3) Sensitivity for debt securities is generally quantified as shift in market values of 5 per cent except for credit opportunity 10 per cent and for distressed debt and structured credits 15 per cent.

4) Shift in implied volatility by 10 per cent.

5) Sensitivity analysis is based on a shift in market values of hedge funds 5 per cent, private equity of 20 per cent, structured credits 15 per cent.

6) Sensitivity from a shift of investment properties/real estate funds market values of 10 per cent and infrastructure/infrastructure funds market values of 20 per cent.

7) The sensitivity show changes in the value of the insurance holdings which do not at all times affect the P/L of the group since any surplus in the traditional life portfolios are consumed first.



## Note 10 Exposure and expected credit loss (ECL) allowances by stage

SEK m	31 Mar 2022	31 Dec 2021
<b>Stage 1 (12-month ECL)</b>		
Debt securities	8 168	8 544
Loans <sup>1)</sup>	1 892 863	1 772 979
Financial guarantees and Loan commitments	813 851	830 403
<b>Gross carrying amounts/Nominal amounts Stage 1</b>	<b>2 714 882</b>	<b>2 611 926</b>
Debt securities	0	-1
Loans <sup>1)</sup>	-1 268	-984
Financial guarantees and Loan commitments	-526	-375
<b>ECL allowances Stage 1</b>	<b>-1 794</b>	<b>-1 358</b>
Debt securities	8 168	8 543
Loans <sup>1)</sup>	1 891 596	1 771 996
Financial guarantees and Loan commitments	813 324	830 028
<b>Carrying amounts/Net amounts Stage 1</b>	<b>2 713 088</b>	<b>2 610 568</b>
<b>Stage 2 (lifetime ECL)</b>		
Loans <sup>1)2)</sup>	63 832	62 127
Financial guarantees and Loan commitments	17 815	15 873
<b>Gross carrying amounts/Nominal amounts Stage 2</b>	<b>81 647</b>	<b>78 000</b>
Loans <sup>1)2)</sup>	-1 262	-1 456
Financial guarantees and Loan commitments	-159	-198
<b>ECL allowances Stage 2</b>	<b>-1 421</b>	<b>-1 654</b>
Loans <sup>1)2)</sup>	62 570	60 671
Financial guarantees and Loan commitments	17 656	15 675
<b>Carrying amounts/Net amounts Stage 2</b>	<b>80 226</b>	<b>76 346</b>
<b>Stage 3 (credit impaired/lifetime ECL)</b>		
Loans <sup>1)3)</sup>	8 311	9 827
Financial guarantees and Loan commitments <sup>3)</sup>	215	170
<b>Gross carrying amounts/Nominal amounts Stage 3</b>	<b>8 526</b>	<b>9 997</b>
Loans <sup>1)3)</sup>	-4 884	-5 707
Financial guarantees and Loan commitments <sup>3)</sup>	-113	-67
<b>ECL allowances Stage 3</b>	<b>-4 997</b>	<b>-5 774</b>
Loans <sup>1)3)</sup>	3 427	4 119
Financial guarantees and Loan commitments <sup>3)</sup>	102	103
<b>Carrying amounts/Net amounts Stage 3</b>	<b>3 529</b>	<b>4 223</b>

The note continues on the next page.

## Note 10, continued. Exposure and expected credit loss (ECL) allowances by stage

SEK m	31 Mar 2022	31 Dec 2021
<b>Total</b>		
Debt securities	8 168	8 544
Loans <sup>1)2)3)</sup>	1 965 006	1 844 932
Financial guarantees and Loan commitments <sup>3)</sup>	831 880	846 446
<b>Gross carrying amounts/Nominal amounts</b>	<b>2 805 054</b>	<b>2 699 923</b>
Debt securities	0	-1
Loans <sup>1)2)3)</sup>	-7 413	-8 147
Financial guarantees and Loan commitments <sup>3)</sup>	-798	-640
<b>ECL allowances</b>	<b>-8 212</b>	<b>-8 786</b>
Debt securities	8 168	8 543
Loans <sup>1)2)3)</sup>	1 957 593	1 836 787
Financial guarantees and Loan commitments <sup>3)</sup>	831 082	845 806
<b>Carrying amounts/Net amounts</b>	<b>2 796 842</b>	<b>2 691 136</b>

1) Including trade and client receivables presented as other assets.

2) Whereof gross carrying amounts SEK 1,741m (1,858) and ECL allowances SEK 1m (1) under Lifetime ECLs -simplified approach for trade receivables.

3) Whereof gross carrying amounts SEK 1,808m (1,818) and ECL allowances SEK 1,453m (1,296) for Purchased or Originated Credit Impaired loans.

The table shows gross carrying amounts for exposures on balance and nominal amounts for exposures off-balance divided by stage as a mean to put ECL allowances in context to overall exposure levels. For trade receivables a simplified approach based on past-due information is used to calculate loss allowances.

Stage 3 loans / Total loans, gross, %	0.42	0.53
Stage 3 loans / Total loans, net, %	0.18	0.22
ECL coverage ratio Stage 1, %	0.07	0.05
ECL coverage ratio Stage 2, %	1.74	2.12
ECL coverage ratio Stage 3, %	58.61	57.76
ECL coverage ratio, %	0.29	0.33

### Development of exposures and ECL allowances by stage

In the first quarter 2022, the gross exposures and ECL allowances in Stage 3 decreased mainly due to write-offs. Gross exposures in Stage 1 increased due to volume growth and currency effects, while gross exposures in Stage 2 increased due to currency effects and negative risk migration.

### Measurement of ECL allowances

SEB uses models and expert credit judgement (ECJ) for calculating ECL allowances. The degree of judgement depends on model outcome, materiality and information available and ECJ may be applied to incorporate factors not captured by the models. Following the pandemic outbreak in the first quarter of 2020, ECJ was used to estimate portfolio model overlays in the Corporate & Private Customers and Baltic divisions to capture potential negative effects on the asset quality in the SME portfolios arising from the uncertain economic outlook in light of the Covid-19-pandemic, and in the Large Corporates & Financial Institutions division to capture the challenges facing the oil industry.

The note continues on the next page.

## Note 10, continued. Exposure and expected credit loss (ECL) allowances by stage

In the first quarter 2022, the Covid-19-related portfolio overlays in the Corporate & Private Customers and Baltic divisions were maintained as the full effect of the pandemic may be delayed due to the government support measures, which have been or are being lifted, and the uncertainty around the impact on asset quality from the higher inflation and expected rate hikes. In the Large Corporates & Financial Institutions division, the model overlay for the oil portfolio was reduced and a new portfolio model overlay was added using ECJ to capture the uncertainty around effects of the high energy prices on a number of large corporates that have been identified to have a particularly high dependence on energy as well as others with direct or indirect implications from the war in Ukraine and subsequent sanctions on Russia. Including the portfolio model overlays made prior to 2020, the total model overlays on portfolio level amounted to SEK 2bn at the end of the quarter. SEK 1.2bn of these are in the Corporate & Private Customers and Baltic divisions and SEK 0.8bn in the Large Corporates & Financial Institutions division.

Model overlays on portfolio level using ECJ are determined through top-down scenario analysis, including various scenarios of risk migration of complete portfolios, combined with bottom-up individual customer analysis of larger corporate customers and analysis and stress tests of sectors specifically exposed to the economic distress. The model overlays are reevaluated quarterly in connection with assessment of net ECLs.

In the first quarter 2022 the parent company introduced "EBA guideline on the application of the definition of default under Article 178 of Regulation (EU) No 575/2013". The regulation was implemented in the Baltic subsidiaries in the fourth quarter 2021. The impact on net expected credit losses from the implementation and new rules on a probation period before curing from default was not significant as of 31 March 2022.

### Key macroeconomic variable assumptions for calculating ECL allowances

Macroeconomic forecasts made by SEB's economic research department are used as the basis for the forward-looking information incorporated in the ECL measurement. Three scenarios – base, positive and negative - and their probability weightings are reviewed every quarter, or more frequently when appropriate due to rapid or significant changes in the economic environment.

In the base scenario for the first quarter 2022, the war in Ukraine, continued high energy prices and higher interest rates have significant economic impact and GDP growth forecasts have been lowered for 2022. Fiscal initiatives especially in defence and energy are expected to soften negative effects. The war is speeding up inflation and labour markets are expected not to weaken enough to persuade monetary central banks to hold off on monetary tightening. More and earlier key rate hikes are expected which will help bring about a clear decline in inflation during 2023. The GDP growth in the Baltic countries has been lowered even more in 2022 and 2023 despite the lower dependency on Russia during the last decade. The main challenge is the high inflation which erodes the purchasing power. A further description of the scenarios is available in the Nordic Outlook update published in March 2022.

The table below sets out the key assumptions of the base scenario.

Base scenario assumptions	2022	2023	2024
Global GDP growth	3.4%	3.6%	3.3%
OECD GDP growth	2.7%	2.4%	2.0%
Sweden			
GDP growth	2.0%	3.0%	2.0%
Household consumption expenditure growth	2.3%	2.7%	2.0%
Interest rate (STIBOR)	0.15%	0.90%	1.35%
Residential real estate price growth	0.0%	2.0%	2.0%
Baltic countries			
GDP growth	0.1% - 1.8%	1.5% - 2.5%	3.0% - 3.5%
Household consumption expenditure growth	0.8% - 2.1%	1.6% - 4.2%	3.0% - 4.0%
Inflation rate	9.0% - 11.5%	0.2% - 3.6%	2.0% - 2.1%
Nominal wage growth	6.8% - 8.4%	6.5% - 7.8%	5.0% - 6.0%
Unemployment rate	6.3% - 8.0%	6.2% - 7.6%	5.5% - 7.2%

The negative scenario reflects the downside risks of the war and the aftermath of the pandemic. The war in Ukraine may escalate in a way that has more far-reaching economic consequences. It is also possible that the impact of current sanctions and trade tensions are underestimated. A stronger inflation surge would erode household purchasing power and weaken the profitability in many businesses. The positive scenario assumes a faster resolution of the Ukraine conflict and that the positive forces of the post-pandemic normalisation is underestimated. This may apply to the demand side in the form of pent-up consumption and capital spending needs, and to the supply side where the flow of people back into the labour market may be stronger than expected.

The probabilities of the three scenarios have been adjusted from 65 to 60 per cent for the base scenario, from 20 to 25 per cent for the negative scenario and, for the positive scenario, the probability has been maintained at 15 per cent.

The update of the macroeconomic parameters and scenario weights led to an increase of total ECL allowances in the first quarter 2022. Should the positive and negative scenarios be assigned 100 per cent probability, the model calculated ECL allowances would decrease by 3 per cent and increase by 4 per cent respectively compared to the probability-weighted calculation.

SEB's measurement of ECL allowances and related assumptions according to IFRS 9 can be found on pages 120-121 and 152-153 in the Annual and Sustainability Report 2021.

## Note 11 Movements in allowances for expected credit losses (ECL)

SEK m	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (credit impaired/ lifetime ECL)	Total
<b>Loans and Debt securities</b>				
<b>ECL allowance as of 31 December 2021</b>	<b>984</b>	<b>1 456</b>	<b>5 707</b>	<b>8 147</b>
New and derecognised financial assets, net	51	-75	-110	-134
Changes due to change in credit risk	223	-144	438	517
Changes due to modifications	1	8	0	9
Decreases in ECL allowances due to write-offs			-1 311	-1 311
Change in exchange rates	8	17	160	185
<b>ECL allowance as of 31 March 2022</b>	<b>1 268</b>	<b>1 262</b>	<b>4 884</b>	<b>7 413</b>
<b>Financial guarantees and Loan commitments</b>				
<b>ECL allowance as of 31 December 2021</b>	<b>375</b>	<b>198</b>	<b>67</b>	<b>640</b>
New and derecognised financial assets, net	1	-18	-5	-22
Changes due to change in credit risk	145	-25	51	170
Changes due to modifications		0		0
Change in exchange rates	6	3	1	10
<b>ECL allowance as of 31 March 2022</b>	<b>526</b>	<b>159</b>	<b>113</b>	<b>798</b>
<b>Total Loans, Debt securities, Financial guarantees and Loan commitments</b>				
<b>ECL allowance as of 31 December 2021</b>	<b>1 358</b>	<b>1 654</b>	<b>5 774</b>	<b>8 786</b>
New and derecognised financial assets, net	52	-93	-116	-156
Changes due to change in credit risk	368	-169	489	688
Changes due to modifications	1	8	0	10
Decreases in ECL allowances due to write-offs			-1 311	-1 311
Change in exchange rates	14	20	161	195
<b>ECL allowance as of 31 March 2022</b>	<b>1 794</b>	<b>1 421</b>	<b>4 997</b>	<b>8 212</b>

SEB's measurement of ECL allowances and related assumptions according to IFRS 9 can be found on pages 120-121 and 152-153 in the Annual and Sustainability Report 2021.

## Note 12 Loans and expected credit loss (ECL) allowances by industry

SEK m	Gross carrying amounts				ECL allowances				Net carrying amount
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Total
	(12-month ECL)	(lifetime ECL)	(credit impaired/lifetime ECL)		(12-month ECL)	(lifetime ECL)	(credit impaired/lifetime ECL)		
<b>31 Mar 2022</b>									
<b>Banks</b>	<b>125 387</b>	<b>2 955</b>	<b>8</b>	<b>128 349</b>	<b>-6</b>	<b>-3</b>	<b>-2</b>	<b>-10</b>	<b>128 339</b>
Finance and insurance	162 791	2 281	76	165 148	-96	-16	-7	-119	165 029
Wholesale and retail	78 109	1 683	198	79 990	-102	-40	-84	-226	79 764
Transportation	36 836	1 338	206	38 380	-33	-34	-53	-120	38 260
Shipping	47 015	3 330	1 255	51 600	-16	-21	-1 016	-1 054	50 545
Business and household services	173 595	7 966	1 670	183 232	-281	-211	-921	-1 412	181 819
Construction	12 478	1 191	303	13 972	-25	-105	-170	-299	13 673
Manufacturing	101 129	5 213	2 153	108 496	-159	-158	-1 457	-1 773	106 723
Agriculture, forestry and fishing	29 577	760	93	30 431	-23	-10	-28	-61	30 370
Mining, oil and gas extraction	10 111	1 896	284	12 290	-24	-180	-215	-419	11 871
Electricity, gas and water supply	58 388	726	56	59 170	-38	-45	-50	-133	59 037
Other	40 943	1 435	109	42 486	-20	-45	-43	-108	42 378
<b>Corporates</b>	<b>750 972</b>	<b>27 819</b>	<b>6 404</b>	<b>785 194</b>	<b>-816</b>	<b>-865</b>	<b>-4 043</b>	<b>-5 725</b>	<b>779 470</b>
Commercial real estate management	161 796	2 796	144	164 736	-80	-30	-56	-166	164 569
Residential real estate management	134 496	856	27	135 380	-49	-2	-1	-52	135 328
<b>Real Estate Management</b>	<b>296 292</b>	<b>3 652</b>	<b>171</b>	<b>300 115</b>	<b>-129</b>	<b>-32</b>	<b>-57</b>	<b>-218</b>	<b>299 897</b>
<b>Housing co-operative associations</b>	<b>62 356</b>	<b>6 665</b>	<b>2</b>	<b>69 024</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>-2</b>	<b>69 022</b>
<b>Public Administration</b>	<b>13 753</b>	<b>325</b>	<b>0</b>	<b>14 078</b>	<b>-1</b>	<b>-3</b>	<b>0</b>	<b>-4</b>	<b>14 074</b>
Household mortgages	604 501	19 059	773	624 333	-84	-142	-218	-445	623 888
Other	39 602	3 357	953	43 912	-231	-216	-562	-1 009	42 903
<b>Households</b>	<b>644 104</b>	<b>22 416</b>	<b>1 726</b>	<b>668 245</b>	<b>-315</b>	<b>-359</b>	<b>-780</b>	<b>-1 454</b>	<b>666 791</b>
<b>TOTAL</b>	<b>1 892 863</b>	<b>63 832</b>	<b>8 311</b>	<b>1 965 006</b>	<b>-1 268</b>	<b>-1 262</b>	<b>-4 884</b>	<b>-7 413</b>	<b>1 957 593</b>
<b>31 Dec 2021</b>									
<b>Banks</b>	<b>89 669</b>	<b>2 044</b>	<b>5</b>	<b>91 718</b>	<b>-5</b>	<b>-2</b>	<b>-1</b>	<b>-8</b>	<b>91 709</b>
Finance and insurance	128 994	2 191	88	131 273	-61	-26	-6	-93	131 180
Wholesale and retail	78 198	1 762	192	80 152	-91	-43	-81	-214	79 938
Transportation	29 423	1 258	211	30 892	-30	-39	-50	-119	30 773
Shipping	43 719	4 460	1 507	49 686	-22	-42	-965	-1 029	48 657
Business and household services	153 028	7 258	1 556	161 842	-175	-189	-901	-1 264	160 578
Construction	11 286	815	307	12 407	-24	-101	-171	-295	12 112
Manufacturing	93 694	5 245	1 444	100 384	-82	-186	-961	-1 229	99 155
Agriculture, forestry and fishing	27 860	655	80	28 595	-22	-9	-27	-58	28 538
Mining, oil and gas extraction	10 475	1 834	2 182	14 491	-20	-344	-1 538	-1 903	12 589
Electricity, gas and water supply	52 965	409	189	53 562	-24	-30	-90	-144	53 418
Other	48 662	1 087	100	49 850	-36	-47	-37	-120	49 730
<b>Corporates</b>	<b>678 305</b>	<b>26 975</b>	<b>7 856</b>	<b>713 136</b>	<b>-587</b>	<b>-1 054</b>	<b>-4 827</b>	<b>-6 468</b>	<b>706 668</b>
Commercial real estate management	154 671	2 519	173	157 364	-70	-40	-65	-175	157 189
Residential real estate management	134 485	1 400	31	135 915	-45	-2	-2	-49	135 866
<b>Real Estate Management</b>	<b>289 156</b>	<b>3 919</b>	<b>204</b>	<b>293 279</b>	<b>-115</b>	<b>-42</b>	<b>-67</b>	<b>-224</b>	<b>293 055</b>
<b>Housing co-operative associations</b>	<b>61 885</b>	<b>6 536</b>	<b>2</b>	<b>68 423</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>-2</b>	<b>68 421</b>
<b>Public Administration</b>	<b>14 102</b>	<b>239</b>	<b>1</b>	<b>14 342</b>	<b>-1</b>	<b>-4</b>	<b>-1</b>	<b>-5</b>	<b>14 337</b>
Household mortgages	599 193	18 767	796	618 756	-79	-140	-241	-460	618 296
Other	40 669	3 648	962	45 279	-196	-214	-569	-979	44 300
<b>Households</b>	<b>639 862</b>	<b>22 414</b>	<b>1 759</b>	<b>664 035</b>	<b>-275</b>	<b>-354</b>	<b>-810</b>	<b>-1 439</b>	<b>662 596</b>
<b>TOTAL</b>	<b>1 772 979</b>	<b>62 127</b>	<b>9 827</b>	<b>1 844 932</b>	<b>-984</b>	<b>-1 456</b>	<b>-5 707</b>	<b>-8 147</b>	<b>1 836 787</b>

The tables above show only the exposures and ECL allowances for Loans and excludes Debt securities, Financial guarantees and Loan commitments. Loans are including trade and client receivables presented as other assets.

# SEB consolidated situation

## Note 13 Capital adequacy analysis

SEK m	31 Mar 2022	31 Dec 2021
<b>Available own funds and total risk exposure amount</b>		
Common Equity Tier 1 (CET1) capital	154 593	154 821
Tier 1 capital	163 008	168 375
Total capital	176 971	181 737
Total risk exposure amount (TREA)	828 377	787 490
<b>Capital ratios and minimum capital requirement (as a percentage of TREA)</b>		
Common Equity Tier 1 ratio (%)	18.7%	19.7%
Tier 1 ratio (%)	19.7%	21.4%
Total capital ratio (%)	21.4%	23.1%
Pillar 1 minimum capital requirement (% P1)	8.0%	8.0%
Pillar 1 minimum capital requirement (amounts)	66 270	62 999
<b>Additional own funds requirements (P2R) to address risks other than the risk of excessive leverage (as a percentage of TREA)</b>		
Additional own funds requirements (% P2R)	1.8%	1.8%
of which: to be made up of CET1 capital (percentage points)	1.2%	1.2%
of which: to be made up of Tier 1 capital (percentage points)	1.4%	1.4%
Total SREP own funds requirements (% P1+P2R)	9.8%	9.8%
Total SREP own funds requirements (amounts)	81 446	77 426
<b>Additional CET1 buffer requirements and CET1 Pillar 2 Guidance (as a percentage of TREA)</b>		
Capital conservation buffer (%)	2.5%	2.5%
Institution specific countercyclical capital buffer (%)	0.1%	0.1%
Systemic risk buffer (%)	3.0%	3.0%
Other Systemically Important Institution buffer (%)	1.0%	1.0%
Combined buffer requirement (% CBR)	6.6%	6.6%
Combined buffer requirement (amounts)	54 409	51 724
Overall capital requirements (% P1+P2R+CBR)	16.4%	16.4%
Overall capital requirements (amounts)	135 855	129 150
CET1 available after meeting the total SREP own funds requirements (% P1+P2R)	11.5%	13.2%
Pillar 2 Guidance (% P2G)	1.5%	1.5%
Pillar 2 Guidance (amounts)	12 426	11 812
Overall capital requirements and P2G (%)	17.9%	17.9%
Overall capital requirements and P2G (amounts)	148 281	140 962
<b>Leverage ratio, requirements and CET1 Pillar 2 Guidance (as a percentage of total exposure measure)</b>		
Tier 1 capital (amounts)	163 008	168 375
Leverage ratio total exposure measure (amounts)	3 749 851	3 352 452
Leverage ratio (%)	4.3%	5.0%
Total SREP leverage ratio requirements (%)	3.0%	3.0%
Overall leverage ratio requirements (%)	3.0%	3.0%
Overall leverage ratio requirements (amounts)	112 496	100 574
Pillar 2 Guidance (% P2G)	0.5%	0.5%
Pillar 2 Guidance (amounts)	16 874	15 086
Overall leverage ratio requirements and P2G (%)	3.5%	3.5%
Overall leverage ratio requirements and P2G (amounts)	129 370	115 660

## Note 14 Own funds

SEK m	31 Mar 2022	31 Dec 2021
Shareholders equity according to balance sheet <sup>1)</sup>	186 530	193 228
Accrued dividend	-3 132	-12 938
Reversal of holdings of own CET1 instruments	2 574	1 397
<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>185 971</b>	<b>181 687</b>
Additional value adjustments	-1 434	-1 133
Goodwill	-4 295	-4 261
Intangible assets	-1 005	-1 327
Deferred tax assets that rely on future profitability	-8	-7
Fair value reserves related to gains or losses on cash flow hedges	-12	18
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-592	-194
Defined-benefit pension fund assets	-18 827	-17 211
Direct and indirect holdings of own CET1 instruments	-5 205	-2 752
<b>Total regulatory adjustments to Common Equity Tier 1</b>	<b>-31 378</b>	<b>-26 866</b>
<b>Common Equity Tier 1 capital</b>	<b>154 593</b>	<b>154 821</b>
Additional Tier 1 instruments <sup>2)</sup>	8 415	13 555
<b>Tier 1 capital</b>	<b>163 008</b>	<b>168 375</b>
Tier 2 instruments	13 993	13 826
Net provisioning amount for IRB-reported exposures	1 171	736
Holdings of Tier 2 instruments in financial sector entities	-1 200	-1 200
<b>Tier 2 capital</b>	<b>13 963</b>	<b>13 362</b>
<b>Total own funds</b>	<b>176 971</b>	<b>181 737</b>

1) The Swedish Financial Supervisory Authority has approved SEB's application to use the quarterly net profit in measuring own funds on condition that the responsible auditors have reviewed the surplus and that the surplus is calculated in accordance with applicable accounting frameworks.

2) Following an approval from the Swedish Financial Supervisory Authority to call a Tier 1 instrument of USD 0.6bn issued in 2017, the instrument was excluded from the bank's own funds as of Q1 2022.



## Note 15 Risk exposure amount

SEK m	31 Mar 2022		31 Dec 2021	
	<b>Risk exposure amount</b>	<b>Own funds requirement <sup>1)</sup></b>	<b>Risk exposure amount</b>	<b>Own funds requirement <sup>1)</sup></b>
<b>Credit risk IRB approach</b>				
Exposures to central governments or central banks	17 799	1 424	18 374	1 470
Exposures to institutions	54 721	4 378	52 833	4 227
Exposures to corporates	381 782	30 543	371 928	29 754
Retail exposures	68 204	5 456	66 879	5 350
of which secured by immovable property	44 552	3 564	43 718	3 497
of which retail SME	6 032	483	5 621	450
of which other retail exposures	17 620	1 410	17 540	1 403
Securitisation positions	1 924	154	1 976	158
<b>Total IRB approach</b>	<b>524 430</b>	<b>41 954</b>	<b>511 989</b>	<b>40 959</b>
<b>Credit risk standardised approach</b>				
Exposures to central governments or central banks	13 654	1 092	949	76
Exposures to institutions	1 071	86	937	75
Exposures to corporates	7 093	567	6 635	531
Retail exposures	14 920	1 194	15 278	1 222
Exposures secured by mortgages on immovable property	2 080	166	2 016	161
Exposures in default	43	3	45	4
Exposures associated with particularly high risk	868	69	845	68
Exposures in the form of collective investment undertakings (CIU)	1 384	111	1 905	152
Equity exposures	4 473	358	6 770	542
Other items	9 452	756	9 964	797
<b>Total standardised approach</b>	<b>55 038</b>	<b>4 403</b>	<b>45 344</b>	<b>3 628</b>
<b>Market risk</b>				
Trading book exposures where internal models are applied	35 079	2 806	26 756	2 140
Trading book exposures applying standardised approaches	9 853	788	5 021	402
<b>Total market risk</b>	<b>44 931</b>	<b>3 595</b>	<b>31 778</b>	<b>2 542</b>
<b>Other own funds requirements</b>				
Operational risk advanced measurement approach	50 038	4 003	49 897	3 992
Settlement risk	26	2	13	1
Credit value adjustment	11 706	936	9 493	759
Investment in insurance business	24 377	1 950	22 527	1 802
Other exposures	3 367	269	3 898	312
Additional risk exposure amount <sup>2)</sup>	114 462	9 157	112 551	9 004
<b>Total other own funds requirements</b>	<b>203 977</b>	<b>16 318</b>	<b>198 379</b>	<b>15 870</b>
<b>Total</b>	<b>828 377</b>	<b>66 270</b>	<b>787 490</b>	<b>62 999</b>

1) Own funds requirement 8% of risk exposure amount according to Regulation (EU) No 575/2013 (CRR).

2) Additional risk exposure amount according to Article 458, Regulation (EU) No 575/2013 (CRR), for risk-weight floors in the Swedish mortgage portfolio and as from Q3 2021 for risk-weight floors in the Norwegian mortgage portfolio as well as for Norwegian corporate exposures collateralized by immovable property.

## Note 16 Average risk-weight

The following table summarises average risk-weights (risk exposure amount divided by exposure at default, EAD) for exposures, where the risk exposure amount is calculated according to the internal ratings based (IRB) approach. Repos

and securities lending transactions are excluded from the analysis, since they carry low risk-weights, and can vary considerably in volume, thus making numbers less comparable.

IRB reported credit exposures (less repos and securities lending)	31 Mar 2022	31 Dec 2021
<b>Average risk-weight</b>		
Exposures to central governments or central banks	2.0%	2.9%
Exposures to institutions	22.6%	23.5%
Exposures to corporates	27.6%	27.6%
Retail exposures	9.3%	9.2%
of which secured by immovable property	6.7%	6.7%
of which retail SME	52.1%	50.3%
of which other retail exposures	28.3%	28.5%
Securitisation positions	17.0%	16.9%

# Skandinaviska Enskilda Banken AB (publ) – parent company

## Income statement

In accordance with FSA regulations	Q1			Q4			Jan–Mar			Full year
SEK m	2022	2021	%	2022	2021	%	2022	2021	%	2021
Interest income <sup>1)</sup>	7 013	6 524	7	7 013	6 487	8	7 013	6 487	8	25 895
Leasing income	1 318	1 303	1	1 318	1 302	1	1 318	1 302	1	5 268
Interest expense <sup>2)</sup>	-1 725	-1 158	49	-1 725	-1 516	14	-1 725	-1 516	14	-5 159
Dividends	3 232	0		3 232	1 848	75	3 232	1 848	75	2 596
Fee and commission income	4 353	4 286	2	4 353	3 519	24	4 353	3 519	24	15 553
Fee and commission expense	-1 171	- 904	30	-1 171	- 807	45	-1 171	- 807	45	-3 210
Net financial income <sup>1)</sup>	1 200	968	24	1 200	1 741	-31	1 200	1 741	-31	6 125
Other income	1 049	309		1 049	524	100	1 049	524	100	1 330
<b>Total operating income</b>	<b>15 270</b>	<b>11 329</b>	<b>35</b>	<b>15 270</b>	<b>13 099</b>	<b>17</b>	<b>15 270</b>	<b>13 099</b>	<b>17</b>	<b>48 397</b>
Administrative expenses	-4 426	-3 692	20	-4 426	-4 220	5	-4 426	-4 220	5	-16 207
Depreciation, amortisation and impairment of tangible and intangible assets	-1 423	-1 418	0	-1 423	-1 388	3	-1 423	-1 388	3	-5 644
<b>Total operating expenses</b>	<b>-5 849</b>	<b>-5 110</b>	<b>14</b>	<b>-5 849</b>	<b>-5 608</b>	<b>4</b>	<b>-5 849</b>	<b>-5 608</b>	<b>4</b>	<b>-21 851</b>
<b>Profit before credit losses</b>	<b>9 421</b>	<b>6 219</b>	<b>51</b>	<b>9 421</b>	<b>7 491</b>	<b>26</b>	<b>9 421</b>	<b>7 491</b>	<b>26</b>	<b>26 547</b>
Net expected credit losses	-550	-345	59	-550	-183		-550	-183		-744
Impairment of financial assets <sup>3)</sup>	-240	-1 486	-84	-240			-240			-1 911
<b>Operating profit</b>	<b>8 631</b>	<b>4 388</b>	<b>97</b>	<b>8 631</b>	<b>7 308</b>	<b>18</b>	<b>8 631</b>	<b>7 308</b>	<b>18</b>	<b>23 892</b>
Appropriations	543	2 490	-78	543	522	4	543	522	4	3 839
Income tax expense	-1 121	-1 678	-33	-1 121	-1 148	-2	-1 121	-1 148	-2	-5 332
Other taxes		225	-100							352
<b>NET PROFIT</b>	<b>8 052</b>	<b>5 425</b>	<b>48</b>	<b>8 052</b>	<b>6 682</b>	<b>21</b>	<b>8 052</b>	<b>6 682</b>	<b>21</b>	<b>22 751</b>

1) Comparative figures for 2021 have been restated for amortization of premium or discount for bonds in the trading book and liquidity portfolio, which was previously presented within Net financial income, is now presented in Interest income.

2) The new Swedish risk tax on banks is presented in Interest expense in the parent company.

3) During the fourth quarter 2021 the parent company recognised impairment losses of SEK 1,486m for the investment in the subsidiary DSK Hyp AG. In total impairment losses of SEK 1,911m were recognised for the investment in DSK Hyp AG during 2021. During the first quarter 2022 the parent company recognised impairment losses of SEK 63m for the investment in SEB Corporate Bank in Ukraine and SEK 177m for SEB Bank in Russia. Under the current conditions it is not viable for SEB to maintain operations in Russia, and SEB has therefore started scaling these down. This will be done in a responsible and orderly manner and in accordance with regulatory and legal obligations.

## Statement of comprehensive income

	Q1			Q4			Jan–Mar			Full year
SEK m	2022	2021	%	2022	2021	%	2022	2021	%	2021
<b>NET PROFIT</b>	<b>8 052</b>	<b>5 425</b>	<b>48</b>	<b>8 052</b>	<b>6 682</b>	<b>21</b>	<b>8 052</b>	<b>6 682</b>	<b>21</b>	<b>22 751</b>
Cash flow hedges	30	4		30	11	173	30	11	173	29
Translation of foreign operations	47	150	-69	47	41	15	47	41	15	98
<b>Items that may subsequently be reclassified to the income statement:</b>	<b>77</b>	<b>154</b>	<b>-50</b>	<b>77</b>	<b>52</b>	<b>48</b>	<b>77</b>	<b>52</b>	<b>48</b>	<b>127</b>
<b>OTHER COMPREHENSIVE INCOME</b>	<b>77</b>	<b>154</b>	<b>-50</b>	<b>77</b>	<b>52</b>	<b>48</b>	<b>77</b>	<b>52</b>	<b>48</b>	<b>127</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>8 129</b>	<b>5 579</b>	<b>46</b>	<b>8 129</b>	<b>6 734</b>	<b>21</b>	<b>8 129</b>	<b>6 734</b>	<b>21</b>	<b>22 878</b>

## Balance sheet, condensed

SEK m	31 Mar 2022	31 Dec 2021
Cash and cash balances with central banks	596 404	371 466
Loans to central banks	907	4 127
Loans to credit institutions	86 830	70 207
Loans to the public	1 723 289	1 641 332
Debt securities	315 055	178 441
Equity instruments	88 346	96 149
Derivatives	151 363	121 326
Other assets	162 752	104 787
<b>TOTAL ASSETS</b>	<b>3 124 946</b>	<b>2 587 834</b>
Deposits from central banks and credit institutions	204 565	85 276
Deposits and borrowings from the public <sup>1)</sup>	1 654 847	1 404 490
Debt securities issued	778 515	730 028
Short positions	56 982	34 569
Derivatives	157 668	113 497
Other financial liabilities	6 728	5 721
Other liabilities	116 778	59 340
Untaxed reserves	17 140	17 137
Equity	131 722	137 776
<b>TOTAL LIABILITIES, UNTAXED RESERVES AND EQUITY</b>	<b>3 124 946</b>	<b>2 587 834</b>
1) Private and SME deposits covered by deposit guarantee	259 395	255 302
Private and SME deposits not covered by deposit guarantee	159 583	160 691
All other deposits	1 235 869	988 497
<b>Total deposits from the public</b>	<b>1 654 847</b>	<b>1 404 490</b>

## Pledged assets and obligations

SEK m	31 Mar 2022	31 Dec 2021
Pledged assets for own liabilities	603 836	539 115
Other pledged assets	70 646	65 329
<b>Pledged assets</b>	<b>674 482</b>	<b>604 443</b>
Contingent liabilities	163 622	159 445
Commitments	742 557	754 551
<b>Obligations</b>	<b>906 179</b>	<b>913 996</b>

## Capital adequacy

### Capital adequacy analysis

SEK m	31 Mar 2022	31 Dec 2021
<b>Available own funds and total risk exposure amount</b>		
Common Equity Tier 1 (CET1) capital	133 330	131 207
Tier 1 capital	141 745	144 761
Total capital	155 573	157 935
Total risk exposure amount (TREA)	752 806	712 916
<b>Capital ratios and minimum capital requirement (as a percentage of TREA)</b>		
Common Equity Tier 1 ratio (%)	17.7%	18.4%
Tier 1 ratio (%)	18.8%	20.3%
Total capital ratio (%)	20.7%	22.2%
Pillar 1 minimum capital requirement (% P1)	8.0%	8.0%
Pillar 1 minimum capital requirement (amounts)	60 224	57 033
<b>Additional own funds requirements (P2R) to address risks other than the risk of excessive leverage (as a percentage of TREA)</b>		
Additional own funds requirements (% P2R)	1.8%	1.8%
of which: to be made up of CET1 capital (percentage points)	1.2%	1.2%
of which: to be made up of Tier 1 capital (percentage points)	1.4%	1.4%
Total SREP own funds requirements (% P1+P2R)	9.8%	9.8%
Total SREP own funds requirements (amounts)	73 813	69 901
<b>Additional CET1 buffer requirements and CET1 Pillar 2 Guidance (as a percentage of TREA)</b>		
Capital conservation buffer (%)	2.5%	2.5%
Institution specific countercyclical capital buffer (%)	0.1%	0.1%
Systemic risk buffer (%)	0.0%	0.0%
Other Systemically Important Institution buffer (%)	0.0%	0.0%
Combined buffer requirement (% CBR)	2.6%	2.6%
Combined buffer requirement (amounts)	19 365	18 339
Overall capital requirements (% P1+P2R+CBR)	12.4%	12.4%
Overall capital requirements (amounts)	93 178	88 204
CET1 available after meeting the total SREP own funds requirements (% P1+P2R)	10.9%	12.3%
Pillar 2 Guidance (% P2G)	0.0%	0.0%
Pillar 2 Guidance (amounts)	0	0
Overall capital requirements and P2G (%)	12.4%	12.4%
Overall capital requirements and P2G (amounts)	93 178	88 204
<b>Leverage ratio, requirements and CET1 Pillar 2 Guidance (as a percentage of total exposure measure)</b>		
Tier 1 capital (amounts)	141 745	144 761
Leverage ratio total exposure measure (amounts)	3 505 847	3 065 713
Leverage ratio (%)	4.0%	4.7%
Total SREP leverage ratio requirements (%)	3.0%	3.0%
Overall leverage ratio requirements (%)	3.0%	3.0%
Overall leverage ratio requirements (amounts)	105 175	91 971
Pillar 2 Guidance (% P2G)	0.0%	0.0%
Pillar 2 Guidance (amounts)	0	0
Overall leverage ratio requirements and P2G (%)	3.0%	3.0%
Overall leverage ratio requirements and P2G (amounts)	105 175	91 971

## Own funds

SEK m	31 Mar 2022	31 Dec 2021
Shareholders equity according to balance sheet <sup>1)</sup>	145 299	151 353
Accrued dividend	-3 132	-12 938
Reversal of holdings of own CET1 instruments	2 574	1 397
<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>144 741</b>	<b>139 812</b>
Additional value adjustments	-1 355	-1 113
Goodwill	-3 358	-3 358
Intangible assets	-893	-1 196
Fair value reserves related to gains or losses on cash flow hedges	-12	18
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-589	-205
Direct and indirect holdings of own CET1 instruments	-5 205	-2 752
<b>Total regulatory adjustments to Common Equity Tier 1</b>	<b>-11 411</b>	<b>-8 606</b>
<b>Common Equity Tier 1 capital</b>	<b>133 330</b>	<b>131 207</b>
Additional Tier 1 instruments <sup>2)</sup>	8 415	13 555
<b>Tier 1 capital</b>	<b>141 745</b>	<b>144 761</b>
Tier 2 instruments	13 993	13 826
Net provisioning amount for IRB-reported exposures	1 035	548
Holdings of Tier 2 instruments in financial sector entities	-1 200	-1 200
<b>Tier 2 capital</b>	<b>13 828</b>	<b>13 174</b>
<b>Total own funds</b>	<b>155 573</b>	<b>157 935</b>

1) Shareholders equity for the parent company includes untaxed reserves net of tax.

2) Following an approval from the Swedish Financial Supervisory Authority to call a Tier 1 instrument of USD 0.6bn issued in 2017, the instrument was excluded from the bank's own funds as of Q1 2022.

## Risk exposure amount

SEK m	31 Mar 2022		31 Dec 2021	
	Risk exposure amount	Own funds requirement <sup>1)</sup>	Risk exposure amount	Own funds requirement <sup>1)</sup>
<b>Credit risk IRB approach</b>				
Exposures to central governments or central banks	12 277	982	10 362	829
Exposures to institutions	54 153	4 332	52 349	4 188
Exposures to corporates	317 472	25 398	308 939	24 715
Retail exposures	44 902	3 592	44 205	3 536
of which secured by immovable property	34 977	2 798	34 274	2 742
of which retail SME	2 215	177	2 187	175
of which other retail exposures	7 710	617	7 744	619
Securitisation positions	1 924	154	1 976	158
<b>Total IRB approach</b>	<b>430 728</b>	<b>34 458</b>	<b>417 831</b>	<b>33 426</b>
<b>Credit risk standardised approach</b>				
Exposures to central governments or central banks				
Exposures to institutions	13 647	1 092	11 628	930
Exposures to corporates	3 195	256	3 319	266
Retail exposures	8 860	709	9 001	720
Exposures secured by mortgages on immovable property	2 076	166	2 012	161
Exposures in default	19	2	24	2
Exposures associated with particularly high risk	868	69	845	68
Exposures in the form of collective investment undertakings (CIU)	1 384	111	1 905	152
Equity exposures	53 800	4 304	43 303	3 464
Other items	2 889	231	2 882	231
<b>Total standardised approach</b>	<b>86 738</b>	<b>6 939</b>	<b>74 920</b>	<b>5 994</b>
<b>Market risk</b>				
Trading book exposures where internal models are applied	35 079	2 806	26 756	2 140
Trading book exposures applying standardised approaches	9 805	784	4 975	398
Foreign exchange rate risk			4 153	332
<b>Total market risk</b>	<b>44 883</b>	<b>3 591</b>	<b>35 883</b>	<b>2 871</b>
<b>Other own funds requirements</b>				
Operational risk advanced measurement approach	39 068	3 125	39 185	3 135
Settlement risk	26	2	13	1
Credit value adjustment	11 701	936	9 485	759
Investment in insurance business	24 377	1 950	22 527	1 802
Other exposures	829	66	528	42
Additional risk exposure amount <sup>2)</sup>	114 456	9 156	112 544	9 004
<b>Total other own funds requirements</b>	<b>190 457</b>	<b>15 237</b>	<b>184 282</b>	<b>14 743</b>
<b>Total</b>	<b>752 806</b>	<b>60 224</b>	<b>712 916</b>	<b>57 033</b>

1) Own funds requirement 8% of risk exposure amount according to Regulation (EU) No 575/2013 (CRR).

2) Additional risk exposure amount according to Article 458, Regulation (EU) No 575/2013 (CRR), for risk-weight floors in the Swedish mortgage portfolio and as from Q3 2021 for risk-weight floors in the Norwegian mortgage portfolio as well as for Norwegian corporate exposures collateralized by immovable property.

## Average risk weight

IRB reported credit exposures (less repos and securities lending)	31 Mar 2022	31 Dec 2021
Average risk-weight		
Exposures to central governments or central banks	1.5%	1.9%
Exposures to institutions	22.6%	23.5%
Exposures to corporates	25.0%	25.0%
Retail exposures	7.3%	7.3%
of which secured by immovable property	6.0%	5.9%
of which retail SME	34.3%	33.8%
of which other retail exposures	38.2%	38.5%
Securitisation positions	17.0%	16.9%

## Restated comparative figures

On 28 March 2022, SEB published restated comparative figures for the years 2020-2021 to reflect organisational changes, including the formation of SEB's new division Private Wealth Management & Family Office. The restatement does not affect SEB's net profit or equity for these years.

The main reorganisations reflected in the restated comparative figures are:

- Private Wealth Management & Family Office, previously included in the division Corporate & Private Customers, is now reported as a separate division and reporting segment.
- The Life division's sales unit is transferred to division Corporate & Private Customers, thereby simplifying the structure and strengthening the distribution power.
- Institutional Asset Management is moved from division Large Corporates & Financial Institutions to division Investment Management in order to accelerate growth pace.

Presentation changes as of 1 January 2022 include:

- A new reporting line, Imposed levies, is added to the income statement and presented after Net expected credit losses. Within Imposed levies, the new Swedish risk tax on banks is presented as well as resolution fees, which were previously presented in Net interest income.
- The line Gains less losses from tangible and intangible assets is removed.
- Amortization of premium or discount for bonds in the trading book and liquidity portfolio, which was previously presented within Net financial income, is now presented in Net interest income.

### SEB Group reconciliation to previously published figures, full year 2021

SEK m	Previously reported	Change in presentation			Restated
	Jan–Dec 2021	Resolution fees	NII adjust- ment	Other	Jan–Dec 2021
Net interest income	26 321	1 019	-1 243		26 097
Net fee and commission income	21 142				21 142
Net financial income	6 992		1 243		8 235
Net other income	159			5	164
<b>Total operating income</b>	<b>54 614</b>	<b>1 019</b>	<b>0</b>	<b>5</b>	<b>55 638</b>
Staff costs	-15 372				-15 372
Other expenses	-5 763				-5 763
Depreciation, amortisation and impairment of tangible and intangible assets	-2 110				-2 110
<b>Total operating expenses</b>	<b>-23 245</b>				<b>-23 245</b>
<b>Profit before credit losses and imposed levies</b>	<b>31 368</b>	<b>1 019</b>	<b>0</b>	<b>5</b>	<b>32 393</b>
Gains less losses from tangible and intangible assets	5			-5	
Net expected credit losses	-510				-510
Imposed levies: Risk tax and resolution fees		-1 019			-1 019
<b>Operating profit</b>	<b>30 864</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30 864</b>
Income tax expense	-5 441				-5 441
<b>NET PROFIT</b>	<b>25 423</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25 423</b>
Attributable to shareholders of Skandinaviska Enskilda Banken AB	25 423				25 423

**SEB Group reconciliation to previously published figures, first quarter 2021**

	Previously reported	Change in presentation			Restated
	Q1 2021	Resolution fees	NII adjust- ment	Other	Q1 2021
<b>SEK m</b>					
Net interest income	6 396	267	- 363		6 300
Net fee and commission income	4 776				4 776
Net financial income	2 179		363		2 543
Net other income	- 4			1	- 3
<b>Total operating income</b>	<b>13 347</b>	<b>267</b>	<b>0</b>	<b>1</b>	<b>13 616</b>
Staff costs	-3 897				-3 897
Other expenses	-1 345				-1 345
Depreciation, amortisation and impairment of tangible and intangible assets	- 476				- 476
<b>Total operating expenses</b>	<b>-5 718</b>				<b>-5 718</b>
<b>Profit before credit losses and imposed levies</b>	<b>7 630</b>	<b>267</b>	<b>0</b>	<b>1</b>	<b>7 898</b>
Gains less losses from tangible and intangible assets	1			- 1	
Net expected credit losses	- 156				- 156
Imposed levies: Risk tax and resolution fees		- 267			- 267
<b>Operating profit</b>	<b>7 475</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7 475</b>
Income tax expense	-1 457				-1 457
<b>NET PROFIT</b>	<b>6 018</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6 018</b>
Attributable to shareholders of Skandinaviska Enskilda Banken AB	6 018				6 018

Refer to [sebgroupp.com](https://sebgroupp.com/investor-relations/reports-and-presentations/restatements) for the full restatement disclosure (<https://sebgroupp.com/investor-relations/reports-and-presentations/restatements>). See also Note 1 Accounting policies and presentation.



## Signature of the President

*The President declares that this financial report for the period 1 January 2022 through 31 March 2022 provides a fair overview of the parent company's and the group's operations, their financial position and results and describes material risks and uncertainties facing the parent company and the group.*

**Stockholm, 27 April 2022**

Johan Torgeby  
*President and Chief Executive Officer*

## THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

### Auditor's review report

To the Board of Directors in Skandinaviska Enskilda Banken AB (publ), 502032-9081

#### Introduction

We have reviewed the condensed financial report for Skandinaviska Enskilda Banken AB (publ) as at March 31, 2022 and for the three-month period ending as at this date. The Board of Directors, the President and the Chief Executive Officer are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

#### Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review differs from and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed financial report is not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies regarding the Group, and in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies regarding the Parent Company.

**Stockholm, 27 April 2022**

Ernst & Young AB

Hamish Mabon  
*Authorised Public Accountant*

## Contacts and calendar

### SEB's result for the first quarter 2022

#### Telephone conference

At 27 April 2022, 10 am CET, Johan Torgeby, SEB's President & CEO, and Masih Yazdi, CFO, will present the results for the first quarter 2022, followed by a Q&A session with Johan Torgeby, Masih Yazdi and Per Andersson, Acting Head of Investor Relations. The presentation and Q&A will be conducted in English.

To participate in the telephone conference, please register in advance via the following registration link: <http://emea.directeventreg.com/registration/6896539>. Upon registering, each participant will be provided with the dial-in number, passcode and participant ID.

The presentation can be followed live on [sebgroup.com/ir](http://sebgroup.com/ir), where it will also be available afterwards.

#### Media

There is a possibility for media to book interviews after the telephone conference. Please contact [press@seb.se](mailto:press@seb.se).

#### Further information is available from:

Masih Yazdi, Chief Financial Officer  
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Per Andersson, Acting Head of Investor Relations  
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[sebgroup.com](http://sebgroup.com)  
Corporate organisation number: 502032-9081

**Further financial information is available in SEB's Fact Book and in the additional Pillar 3 disclosures which are published quarterly on [sebgroup.com/ir](http://sebgroup.com/ir).**

#### Financial information calendar 2022

14 July 2022	Quarterly report January – June 2022	The silent period starts on 1 July 2022
26 October 2022	Quarterly report January – September 2022	The silent period starts on 1 October 2022

The financial information calendar for 2023 will be published in conjunction with the Quarterly Report for January-September 2022.

## Definitions

### Including Alternative Performance Measures<sup>1)</sup>

#### Operating profit

Total profit before tax.

#### Net profit

Total profit after tax.

#### Return on equity

Net profit attributable to shareholders in relation to average<sup>2)</sup> shareholders' equity.

#### Return on business equity

Operating profit by division, reduced by a standard tax rate, in relation to the divisions' average<sup>2)</sup> business equity (allocated capital).

#### Return on total assets

Net profit attributable to shareholders, in relation to average<sup>2)</sup> total assets.

#### Return on risk exposure amount

Net profit attributable to shareholders in relation to average<sup>2)</sup> risk exposure amount.

#### Cost/income ratio

Total operating expenses in relation to total operating income.

#### Basic earnings per share

Net profit attributable to shareholders in relation to the weighted average<sup>3)</sup> number of shares outstanding before dilution.

#### Diluted earnings per share

Net profit attributable to shareholders in relation to the weighted average<sup>3)</sup> diluted number of shares. The calculated dilution is based on the estimated economic value of the long-term equity-based programmes.

#### Net worth per share

The total of shareholders' equity, the equity portion of any surplus values in the holdings of debt securities and the surplus value in life insurance operations in relation to the number of shares outstanding.

#### Equity per share

Shareholders' equity in relation to the number of shares outstanding.

#### Expected credit losses, ECL

Probability-weighted credit losses with the respective risk of a default.

#### ECL allowances

The allowance for expected credit losses on financial assets, contract assets, loan commitments and financial guarantee contracts.

#### Net ECL level

Net expected credit losses in relation to the opening balance of the year of debt securities, loans to the public and loans to credit institutions measured at amortised cost, financial guarantees and loan commitments, net of ECL allowances.

#### ECL coverage ratio

ECL allowances in relation to underlying gross carrying amounts for loans and debt securities as well as nominal amounts of financial guarantees and loan commitments.

#### Stage 3 loans / Total loans, gross

Gross carrying amount for stage 3 loans (credit-impaired loans) in relation to gross carrying amount for total loans measured at amortised cost (including trade and client receivables presented as other assets).

#### Stage 3 loans / Total loans, net

Carrying amount for stage 3 loans (credit-impaired loans) in relation to carrying amounts for total loans measured at amortised cost (including trade and client receivables presented as other assets)

1) Alternative Performance Measures, APMs, are financial measures of historical or future financial performance, financial position, or cash flows, other than those defined in the applicable financial reporting framework (IFRS) or in the EU Capital Requirements Regulation and Directive CRR/CRD IV. APMs are used by SEB when relevant to assess and describe SEB's financial situation and provide additional relevant information and tools to enable analysis of SEB's performance. APMs on basic earnings per share, diluted earnings per share, net worth per share, equity per share, return on equity, return on tangible equity, return on total assets and return on risk exposure amount provide relevant information on the performance in relation to different investment measurements. The cost/income ratio provides information on SEB's cost efficiency. APMs related to lending provide information on provisions in relation to credit risk. All these measures may not be comparable to similarly titled measures used by other companies.

2) Average year-to-date, calculated on month-end figures.

3) Average, calculated on a daily basis

**The excel file Alternative Performance Measures, available on [sebgroup.com/ir](http://sebgroup.com/ir), provides information on how the measures are calculated.**

## Definitions, continued

### According to the EU Capital Requirements Regulation no 575/2013 (CRR):

#### Risk exposure amount

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 exposures deducted from own funds.

#### Common Equity Tier 1 capital (CET)

Shareholders' equity excluding dividend, deferred tax assets, intangible assets and certain other regulatory adjustments defined in EU Regulation no 575/2013 (CRR).

#### Tier 1 capital

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

#### Tier 2 capital

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

#### Own funds

The sum of Tier 1 and Tier 2 capital.

#### Common Equity Tier 1 capital ratio

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

#### Tier 1 capital ratio

Tier 1 capital as a percentage of risk exposure amount.

#### Total capital ratio

Total own funds as a percentage of risk exposure amount.

#### Liquidity Coverage Ratio (LCR)

High-quality liquid assets in relation to the estimated net liquidity outflow over the next 30 calendar days.

### According to the EU Capital Requirements Regulation no 876/2019 (CRR2) and according to the EU Directive no 879/2019 (BRRD II):

#### Leverage ratio

Tier 1 capital as a percentage of the exposure value of assets, derivatives and off-balance sheet items.

#### Net stable funding ratio (NSFR)

Available stable funding in relation to the amount of required stable funding.

#### Minimum requirement of eligible liabilities (MREL)

Minimum requirement for own funds and eligible liabilities, as set by the Swedish National Debt Office.

# This is SEB

## **We connect ideas, people and capital to drive progress**

Being a leading northern European corporate bank with international reach, we support our customers in making their ideas come true. We do this through long-term relationships, innovative solutions, tailored advice and digital services – and by partnering with our customers in accelerating change towards a more sustainable world.

## **Our customers**

2,000 large corporations, 1,100 financial institutions, 288,000 SME and 1.5 million private full-service customers bank with SEB.

## **Our values**

We are guided by our Code of Conduct and our core values: customers first, commitment, collaboration and simplicity.

## **Our employees**

Around 16,000 highly skilled employees serving our customers from locations in more than 20 countries – covering different time zones, securing reach and local market knowledge.

## **Our history**

We have a long tradition of supporting people and companies and helping drive development. Ever since we welcomed our first customer 165 years ago, we have been guided by engagement and curiosity about the future. By providing financial products and tailored advisory services to meet our customers' changing needs, we build on our long-term relationships and do our part to contribute to a more sustainable society.

## **Focus areas**

*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 within already established areas.

*Strategic partnerships* – Collaborating and partnering with external stakeholders and rethinking how we produce and distribute our products and services.

*Efficiency improvement* – Increasing our focus on strategic enablers allowing us to improve efficiency and accelerate SEB's transformation journey.

Additional financial information is available in SEB's Fact Book which is published quarterly on [sebgroup.com/ir](http://sebgroup.com/ir).