

Quarterly Report

First quarter 2023

STOCKHOLM 26 APRIL 2023



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



Guided by a long-term perspective

The first quarter of 2023 was characterised by renewed volatility in global financial markets. Following a strong start to the year for equity markets, investor appetite declined in February as interest rates rose on the back of resilient macroeconomic data and continued expectations of high inflation.

The market experienced a negative sentiment in March related to the banking sector, following the events among some regional banks in the U.S. This in turn caused concern for a particular bank domiciled in Switzerland, ultimately leading to an acquisition by its domestic peer. This resulted in market expectations of tighter financial conditions and therefore also an expectation of lower interest rate outlooks for central banks around the world, including the U.S. central bank Federal Reserve. Towards the end of the quarter equity markets stabilised, and since the beginning of the year both the U.S. S&P 500 index and the OMX Stockholm Price Index have developed positively.

The long-term effects of inflation and monetary policies on households, corporates and the overall economy remain uncertain. In this environment, banks play a crucial role in helping the wheels of society turning. For SEB, this means offering capital and advice to facilitate savings and investments, in turn stimulating economic growth.

Financially strong – today and for generations to come

Despite the turmoil, the concerns around the banking sector have subsided somewhat. However, investors have increased focus on banks' financial resilience. This emphasises SEB's strong and resilient position. We continue to be one of the most well-capitalised and profitable banks, with ample liquidity, in Europe. This means that we have strong first- and second lines of defence against any unforeseen events. As a relationship bank which continues to add new customers, we have a stable deposit base, while our strong credit quality gives us access to capital markets at favourable prices. With around SEK 900bn in high-quality liquid assets, all valued mark-to-market, this should provide us with significant financial strength going forward, in a market characterised by a high degree of unpredictability.

Continued geographical expansion since 2010

In 2010, we initiated the expansion of our corporate banking business in the Nordics, Germany and later in the United Kingdom. In 2022, almost a fifth of the client income derived in the Large Corporates & Financial Institutions division came from new clients added through this geographical expansion. Apart from contributing to an increasingly diverse geographical footprint, with more than 50 per cent of the division's client income today stemming from outside of Sweden, this expansion has also over time proven to be a profitable and cost-efficient business, with a maintained risk profile. As our ability to serve our customers locally is one of our core strengths, we aim to grow our market share in the Nordics, while modestly expanding our services in Austria, Switzerland and the Netherlands.

A strong start of the year

During the first quarter, customer sentiment, activity and our results were to a large degree affected by external factors such as higher interest rates and the increased volatility in financial markets. Our large corporate customers remained cautious, reflected in stable lending and increased deposit volumes while the demand for risk management services remained high. Financial institutions continued to focus on risk management

while remaining active in this new interest rate environment. Our retail customers continued to be cautious on taking on more debt, and we can now see an accelerating shift of deposits into our higher-yielding savings accounts. We believe some of the positive effects on net interest income from higher interest rates to be transitory as both corporate and household customers keep adapting to the new interest rate environment. Notably, net interest income in the Corporate & Private Customers division was unchanged from the fourth quarter 2022, despite higher interest rates.

Operating profit before items affecting comparability increased by 6 per cent quarter on quarter, with a marginal increase in operating income and a decrease in operating expenses. The return on equity amounted to 17.9 per cent. Our full-year cost target remains unchanged.

Credit quality remained robust with net expected credit losses of 4 basis points. Model overlays remained unchanged at SEK 2.2bn.

Our capital buffer remains robust at 480 basis points. Authorised by the Annual General Meeting, the Board of Directors has decided on a new quarterly share buyback programme of SEK 1.25bn until 14 July. Year to date, SEB has repurchased shares for capital management purposes for a total amount of SEK 1.25bn.

A resistant market for sustainable finance

In 2022, the macroeconomic environment created less favorable conditions for bond markets. However, the market for green, social, sustainability and sustainability-linked bonds demonstrated greater resilience than the general market. This trend continued during the first quarter of 2023. With our ambition to be a leading catalyst in the transition to a more sustainable society, this is a key market for SEB to provide support. We strive to strengthen our abilities in this area and are therefore pleased that large corporates and financial institutions in the Nordic region regard SEB as a valuable sustainability advisor, according to a 2022 Prospera survey.

Together with our customers since 1856

For almost 170 years we have stood by our customers' side through good times and bad. With a focus on long-term relationships and sound financial governance, our dedicated employees enable us to help our customers navigate through times of uncertainty. That is how we continue to create value for our customers, shareholders and societies – positively shaping the future, today and for generations to come.



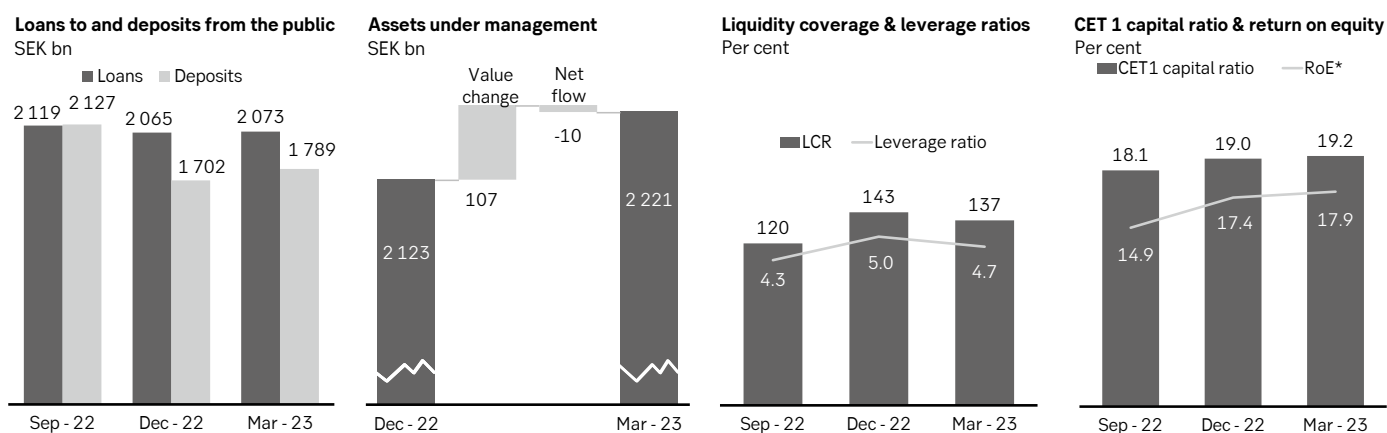
Johan Torgeby
President and CEO

First quarter 2023

- Return on equity amounted to 17.9 per cent on a CET1 capital ratio of 19.2 per cent. The capital buffer was 480 basis points above the capital requirement.
- High demand for risk management services continued to benefit our Fixed Income, Currencies and Commodities business.
- The Board of Directors resolved to utilise the authorisation granted by the 2023 Annual General Meeting, to initiate a new quarterly share buyback programme of SEK 1.25bn.

SEK m	Q1			Q4			Full year 2022
	2023	2022	%	2023	2022	%	
Total operating income	19 060	18 798	1	19 060	14 739	29	64 478
Total operating expenses	-6 465	-6 757	-4	-6 465	-5 793	12	-25 044
Net expected credit losses	-272	-506	-46	-272	-535	-49	-2 007
Imposed levies: Risk tax and resolution fees	-702	-578	21	-702	-582	21	-2 288
Operating profit before items affecting comparability	11 620	10 957	6	11 620	7 828	48	35 138
Items affecting comparability		-1 399	-100				-1 399
Operating profit	11 620	9 558	22	11 620	7 828	48	33 739
NET PROFIT	9 393	7 402	27	9 393	6 374	47	26 877
Return on equity, %	17.9	14.7		17.9	13.3		13.8
Return on equity excluding items affecting comparability, %	17.9	17.4		17.9	13.3		14.5
Basic earnings per share, SEK	4.45	3.49		4.45	2.96		12.58

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance contracts. See section on restated comparative figures for further information.



*RoE excluding items affecting comparability

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Income statement on a quarterly basis, condensed

SEK m	Q1	Q4	Q3	Q2	Q1
	2023	2022	2022	2022	2022
Net interest income	11 297	9 715	8 925	7 742	7 062
Net fee and commission income	5 170	5 410	5 257	5 486	5 381
Net financial income	2 403	3 476	2 330	1 115	2 321
Net other income	190	196	41	47	- 25
Total operating income	19 060	18 798	16 552	14 390	14 739
Staff costs	-4 235	-4 172	-4 028	-4 017	-3 762
Other expenses	-1 748	-1 982	-1 755	-1 706	-1 543
Depreciation, amortisation and impairment of tangible and intangible assets	- 483	- 602	- 510	- 478	- 488
Total operating expenses	-6 465	-6 757	-6 293	-6 201	-5 793
Profit before credit losses and imposed levies	12 594	12 041	10 259	8 189	8 945
Net expected credit losses	- 272	- 506	- 567	- 399	- 535
Imposed levies: Risk tax and resolution fees	- 702	- 578	- 572	- 556	- 582
Operating profit before items affecting comparability	11 620	10 957	9 119	7 234	7 828
Items affecting comparability		-1 399			
Operating profit	11 620	9 558	9 119	7 234	7 828
Income tax expense	-2 227	-2 156	-1 807	-1 444	-1 454
NET PROFIT	9 393	7 402	7 311	5 790	6 374
Attributable to shareholders of Skandinaviska Enskilda Banken AB	9 393	7 402	7 311	5 790	6 374
Basic earnings per share, SEK	4.45	3.49	3.43	2.70	2.96
Diluted earnings per share, SEK	4.42	3.46	3.40	2.68	2.94

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance contracts. See section on restated comparative figures for further information.

Key figures

	Q1	Q4	Jan-Mar		Full year
	2023	2022	2023	2022	2022
Return on equity, % ²⁾	17.9	14.7	17.9	13.3	13.8
Return on equity excluding items affecting comparability ¹⁾²⁾ , %	17.9	17.4	17.9	13.3	14.5
Return on total assets, % ²⁾	1.0	0.7	1.0	0.7	0.7
Return on risk exposure amount, % ²⁾	4.4	3.4	4.4	3.1	3.2
Cost/income ratio ²⁾	0.34	0.36	0.34	0.39	0.39
Basic earnings per share, SEK ²⁾	4.45	3.49	4.45	2.96	12.58
Weighted average number of shares ³⁾ , millions	2 110	2 121	2 110	2 151	2 137
Diluted earnings per share, SEK ²⁾	4.42	3.46	4.42	2.94	12.48
Weighted average number of diluted shares ⁴⁾ , millions	2 126	2 139	2 126	2 167	2 153
Net worth per share, SEK ²⁾	108.24	103.23	108.24	94.39	103.23
Equity per share, SEK ²⁾	101.29	96.59	101.29	86.75	96.59
Average shareholders' equity, SEK bn ²⁾	209.5	202.0	209.5	191.4	195.3
Net ECL level, %	0.04	0.08	0.04	0.08	0.07
Stage 3 Loans / Total Loans, gross, %	0.30	0.33	0.30	0.42	0.33
Stage 3 Loans / Total Loans, net, %	0.13	0.14	0.13	0.18	0.14
Liquidity Coverage Ratio (LCR) ⁵⁾ , %	137	143	137	122	143
Net Stable Funding Ratio (NSFR) ⁶⁾ , %	111	109	111	108	109
<u>Own funds requirement, Basel III</u>					
Risk exposure amount, SEK m	866 914	859 320	866 914	828 377	859 320
Expressed as own funds requirement, SEK m	69 353	68 746	69 353	66 270	68 746
Common Equity Tier 1 capital ratio, %	19.2	19.0	19.2	18.7	19.0
Tier 1 capital ratio, %	20.8	20.7	20.8	19.7	20.7
Total capital ratio, %	22.7	22.5	22.7	21.4	22.5
Leverage ratio, %	4.7	5.0	4.7	4.3	5.0
Number of full time equivalents ⁷⁾	16 991	16 616	16 873	16 066	16 283
Assets under custody, SEK bn	18 822	18 208	18 822	21 669	18 208
Assets under management, SEK bn	2 221	2 123	2 221	2 432	2 123

1) In Q4 2022, an impairment of SEK 1.4bn related to Russia was recognised.

2) Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance contracts. See section on restated comparative figures for further information.

3) At year-end 2022 the number of issued shares was 2,178,721,934 and SEB owned 65,283,469 Class A shares. During 2023 SEB has purchased 2,721,816 shares for the long-term equity programmes and 2,999,025 shares were sold/distributed. During 2023 SEB has purchased 9,767,624 shares for capital purposes. Thus, at 31 March 2023 the number of issued shares amounted to 2,178,721,934 and SEB held 74,773,884 own Class A-shares with a market value of SEK 8,550m.

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

5) In accordance with the EU delegated act.

6) In accordance with CRR2.

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

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

Restated comparative figures

On 3 April 2023, SEB published a press release with restated comparative figures for 2022 relating to the transition to IFRS 17 Insurance contracts. The restated figures are fully reflected throughout this report. See page 45 for more information and a reconciliation to previously published financial information.

The first quarter

Operating profit increased by 22 per cent compared with the fourth quarter 2022 to SEK 11,620m (9,558). *Operating profit before items affecting comparability* increased by 6 per cent. Year-on-year, operating profit increased by 48 per cent. *Net profit* amounted to SEK 9,393m (7,402).

Operating income

Total operating income increased by 1 per cent compared with the fourth quarter 2022 and amounted to SEK 19,060m (18,798). Compared with the first quarter 2022, total operating income increased by 29 per cent.

Net interest income increased by 16 per cent, compared with the fourth quarter, to SEK 11,297m (9,715) and by 60 per cent year-on-year.

SEK m	Q1	Q4	Q1
	2023	2022	2022
Loans to the public	5 318	5 615	6 306
Deposits from the public	4 126	3 336	327
Other, including financing and liquidity	1 852	763	428
Net interest income	11 297	9 715	7 062

Net interest income from loans to the public decreased by SEK 297m in the first quarter, mainly due to a negative margin effect on household mortgage loans.

Net interest income from deposits from the public rose by SEK 790m in the first quarter. After several rate hikes in 2022, the Swedish central bank further increased the policy rate from 2.5 to 3 per cent during the quarter. Similarly, the European Central Bank raised its interest rates twice in the first quarter. The higher interest rate levels led to a positive effect on margins on deposits from the public.

Other net interest income increased by SEK 1,089m. The debt securities portfolio margins increased during the quarter, loan interest rates were reset at more normalised levels compared with the previous quarter and there was a positive effect from excess liquidity in the Baltic division all improving net interest income. The deposit guarantee fees amounted to SEK 113m (106)

Net fee and commission income decreased by 4 per cent in the first quarter to SEK 5,170m (5,410). Year-on-year, net fee and commission income also decreased by 4 per cent.

Equity markets improved compared with the fourth quarter and gross fee income from custody and mutual funds, excluding performance fees, increased by SEK 43m to SEK 2,294m. Performance fees amounted to SEK 82m (84).

Gross fee income from issuance of securities and advisory services increased by 9 per cent in the first quarter to SEK 317m with increased activity in sustainability financing and advisory services. Gross secondary market and derivatives income decreased by 25 per cent in the first quarter to SEK 428m. Client demand for equity products weakened but improved towards the end of the quarter. Gross lending fees decreased by 8 per cent to SEK 846m. Bridge financing in the fourth quarter and generally lower activity in the first quarter explains the decrease.

Net payment and card fees amounted to SEK 1,154m (1,238), a decrease of 7 per cent. Payment and card activity was seasonally slower in the quarter and was affected by households being pressured by the macroeconomic situation.

The net life insurance commissions, related to the unit-linked insurance business, increased to SEK 255m (240).

Net financial income decreased by SEK 1,073m to SEK 2,403m in the first quarter (3,476). Year-on-year, net financial income increased by SEK 82m.

The current market conditions led to continued strong demand for risk management services and the high market activity was driven by volatility in rates, foreign exchange and commodity prices. The fourth quarter reflected a positive valuation effect in the Treasury portfolios, which declined in the first quarter.

The fair value credit adjustment¹⁾ amounted to SEK -228m, a decline of SEK 545m compared with the fourth quarter.

The market value change of certain strategic holdings amounted to SEK 53m in the first quarter, a negative change of SEK 56m compared with the fourth quarter.

Net financial income from the Life division decreased to SEK 241m (254). Improved market returns and higher interest rates had a positive effect, offset by a decrease in income from risk insurance products.

Net other income was virtually unchanged at SEK 190m (196). Unrealised valuation and hedge accounting effects are included in this line item.

Operating expenses

Total operating expenses decreased by 4 per cent in the first quarter and amounted to SEK 6,465m (6,757). Total operating expenses increased by 12 per cent year-on-year.

Staff costs were up by 1 per cent from the fourth quarter, partly due to an increase in the number of full-time equivalents

¹ 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

to 16,991 (16,616). Expenses relating to IT, premises, marketing and other all decreased in the first quarter. In the fourth quarter, Baltic expenses were affected by a derecognition of an obsolete core IT platform project and a one-time payment made to employees to assist in the current inflationary environment. Supervisory fees amounted to SEK 48m (42).

Costs developed according to plan for 2023. The cost target for 2023 is outlined on page 10.

Net expected credit losses

Net expected credit losses amounted to SEK 272m (506), corresponding to a net expected credit loss level of 4 basis points (8). Updated macroeconomic scenarios had a positive impact and management overlays remained unchanged. The underlying asset quality of the credit portfolio remained robust.

For more information on credit risk, asset quality, net expected credit losses and the portfolio model overlays, see page 9 and notes 5, 11, 12 and 13.

Imposed levies: Risk tax and resolution fees

Imposed levies amounted to SEK 702m (578). 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 increased according to plan from 0.05 per cent of the tax base to 0.06 per cent for 2023. The risk tax for the first quarter increased to SEK 394m (300). The resolution fees amounted to SEK 308m (277).

Items affecting comparability

There was no *item affecting comparability* in the first quarter. In the fourth quarter 2022, an impairment of SEK 1.4bn related to Russia was recognised. See note 7.

Income tax expense

Income tax expense increased to SEK 2,227 (2,156) with an effective tax rate of 19.2 per cent (22.5).

Return on equity

Return on equity for the first quarter improved to 17.9 per cent (14.7). *Return on equity excluding items affecting comparability* amounted to 17.9 per cent (17.4).

Other comprehensive income

Other comprehensive income amounted to SEK 965m (429).

The value of SEB's pension plan assets continued to exceed the defined benefit obligations to the employees. With improved equity markets in the quarter, the net value of the defined benefit pension plans increased other comprehensive income by SEK 319m (443). The Swedish discount rate was lowered to 3.6 per cent in the first quarter (3.8). The long-term inflation assumption remained unchanged at 2 per cent.

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 657m (-10).

Business volumes

Total assets as of 31 March 2023 amounted to SEK 3,802bn, representing an increase of SEK 269bn from year-end 2022 (3,533).

Loans

SEK bn	31 Mar	31 Dec
	2023	2022
General governments	20	27
Financial corporations	122	120
Non-financial corporations	1 036	1 019
Households	719	719
Collateral margin	57	75
Reverse repos	119	106
Loans to the public	2 073	2 065

Loans to the public increased by SEK 8bn in the first quarter to SEK 2,073bn.

Loans as well as contingent liabilities 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
	2023	2022
General governments	21	19
Financial corporations	481	409
Non-financial corporations	726	693
Households	442	450
Collateral margin	97	119
Repos	21	12
Deposits and borrowings from the public	1 789	1 702

Deposits and borrowings from the public increased by SEK 87bn in the first quarter to SEK 1,789bn. In the first quarter, deposits from financial corporations, which also includes Treasury deposits, increased. Non-financial corporations' deposits increased by SEK 33bn in the quarter, while household deposits declined by SEK 8bn, mainly due to higher cost of living.

Debt securities

Debt securities increased by SEK 177bn to SEK 430bn in the first quarter. The volume movement partially mirrors the changes in SEB's deposit base. The securities are short-term in nature, have high credit worthiness and are booked at market value.

Assets under management and custody

Total *assets under management* amounted to SEK 2,221bn (2,123). The market value increased by SEK 107bn during the quarter (-60). The net flow of assets under management amounted to SEK -10bn (-8), mainly driven by outflows of institutional mandates.

Assets under custody increased to SEK 18,822bn due to higher asset values (18,208).

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 2022 (see page 83-89 and notes 40 and 41), in the Capital Adequacy and Risk Management Report for 2022 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
	2023	2022
Banks	128	127
Corporates	1 691	1 687
Commercial real estate management	214	209
Residential real estate management	147	146
Housing co-operative associations Sweden	70	72
Public administration	71	91
Household mortgage	678	671
Household other	83	85
Total credit portfolio	3 083	3 086

SEB's credit portfolio, which includes loans, contingent liabilities and derivatives, was more or less flat in the first quarter at SEK 3,083bn (3,086). The corporate credit portfolio increased by SEK 4bn in the quarter. Underlying credit demand from large corporates was low. The real estate portfolios, including housing co-operative associations, increased by SEK 6bn, mainly driven by the commercial real estate segment. Household mortgages grew by SEK 7bn mainly from increased commitments in a continued slow market in the first quarter.

Asset quality indicators were broadly stable during the quarter. Credit-impaired loans (gross loans in stage 3) decreased marginally to SEK 6.4bn (6.8), corresponding to 0.30 per cent of total loans (0.33), mainly due to limited inflow and write-offs against reserves. Stage 1 ECL allowances decreased mainly due to the macroeconomic scenario revisions, while stage 2 ECL allowances increased due to a few, isolated engagements. See net expected credit loss comment in note 11.

Notes 12-13 provide a more detailed breakdown of SEB's loan portfolio by industry and asset quality as well as corresponding ECL allowances.

Market risks

Changes in the markets' expectations on interest rate development, impacted credit spreads, interest rates and equities in the first quarter. Despite this, average VaR in the regulatory trading book remained stable and amounted to SEK 273m (267). 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 maintained a strong and diversified liquidity and funding position in the quarter with good market access. The loan-to-deposit ratio decreased and was 111 per cent per 31 March 2023 (116).

SEB's long-term wholesale funding need continued to be mainly regulatory-driven. New issuance amounted to SEK 66bn, of which SEK 54bn in covered bonds and SEK 11bn in senior non-preferred debt. SEK 23bn of long-term funding matured, of which SEK 11bn covered bonds and SEK 12bn senior debt. Short-term funding in the form of commercial paper and certificates of deposit increased by SEK 35bn.

Weighted High Quality Liquid Assets defined according to the liquidity coverage ratio (LCR) requirements increased to SEK 891bn at 31 March 2023 (685). The LCR was 137 per cent (143). The minimum regulatory requirement is 100 per cent.

The net stable funding ratio (NSFR) requirement is that stable funding shall be at least 100 per cent of illiquid assets. Per 31 March 2023, SEB's NSFR was 111 per cent (109).

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 July 2022.

Since October 2021, Moody's rates SEB's long-term senior unsecured debt at Aa3 with stable outlook reflecting the bank's strong credit quality and solid capitalisation, which is expected to demonstrate continued resilience despite a less favourable macroeconomic outlook.

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 July 2022.

Risk exposure amount

The total risk exposure amount (REA) increased by SEK 8bn to SEK 867bn during the first quarter.

SEK bn	
Balance 31 Dec 2022	859
Underlying credit risk change	2
- whereof asset size	3
- whereof asset quality	-3
- whereof foreign exchange movements	2
Underlying market risk change	1
- whereof CVA risk	-2
Underlying operational risk change	0
Model updates, methodology & policy, other	4
- whereof credit risk	4
Balance 31 Mar 2023	867

Credit risk REA increased by SEK 2bn mainly due to a slight increase in volume, somewhat mitigated by improved asset quality. In addition, an article 3 add-on of SEK 3.8bn has been applied, related to the ongoing implementation of new Baltic retail probability of default models. Market risk REA increased by SEK 1bn and operational risk REA remained largely unchanged.

Capital position

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

Own funds requirement, Basel III	31 Mar	31 Dec
	2023	2022
Risk exposure amount, SEK bn	867	859
Common Equity Tier 1 capital ratio, %	19.2	19.0
Tier 1 capital ratio, %	20.8	20.7
Total capital ratio, %	22.7	22.5
Leverage ratio, %	4.7	5.0

SEB's Common Equity Tier 1 (CET1) capital ratio increased to 19.2 per cent (19.0) during the first quarter, mainly driven by the quarterly net result, which contributed to an increase in CET1 capital of SEK 3.2bn.

On 25 January 2023, SEB announced a SEK 1.25 billion share buyback programme for capital management purposes, which was completed on 3 April 2023. The Board of Directors has resolved to initiate a new programme of SEK 1.25bn between 27 April and 14 July 2023. SEB has received supervisory approval to repurchase shares for up to SEK 2.5bn until 31 October 2023 and has deducted the full amount from the CET1 capital.

SEB's applicable CET1 capital requirement and Pillar 2 guidance (P2G) per the end of the first quarter was 14.3 per cent (14.2). SEB's target is to have a buffer of 100 to 300 basis points above the regulatory 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 480 basis points (470).

SEB's leverage ratio was 4.7 per cent at the end of the quarter (5.0) whereas the leverage ratio requirement and P2G was 3.45 per cent (3.45).

Internally assessed capital requirement

As per 31 March 2023, 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 91bn (87).

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.

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 2030 Strategy and the business plan for 2022-2024. 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.

The 2030 Strategy remains firm and in 2023, we will develop our business by further investing in areas such as digitalisation, data, sustainability and regulatory compliance.

The cost target for 2023 is SEK 26.5–27bn, assuming 2022 foreign exchange rates. The range reflects the high uncertainty regarding inflation in the economy. With average foreign exchange rates during the first quarter 2023, the implied cost target range is SEK 26.9-27.4bn.

Towards the end of the 2022–2024 business plan period, the plan is to be within the long-term capital target of 100–300 basis points above the regulatory requirement.

Sustainability ambitions and goals

As part of SEB's strategy, sustainability ambitions and goals have been defined, laying out a path for reducing fossil fuel credit exposure and setting growth ambitions for sustainable activities.

Carbon exposure index – The Brown. The goal is to reduce fossil fuel credit exposure within SEB's energy portfolio by 45–60 per cent by 2030 compared with a 2019 baseline.

Sustainability activity index – The Green. The ambition is to increase average sustainability activity 6 to 8 times by 2030 compared with a 2021 baseline. Sustainability activity is a volume-based metric including sustainability-related financing, sustainable finance advisory, greentech venture capital investments and sustainable savings as share of SEB's total savings offering.

For detailed information see SEB's Annual and Sustainability Report for 2022 at sebgroup.com.

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. The divisional financial aspirations are summarised in the table below.

Division	Return on business equity	Cost/income ratio
Large Corporates & Financial Institutions	>13%	<0.45
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%	<0.45

Impact from exchange rate fluctuations

Compared with the fourth quarter, the currency effect increased operating profit before items affecting comparability for the first quarter by SEK 57m. Loans to the public increased by SEK 2bn while deposits from the public increased by SEK 3bn. Total REA increased by SEK 2bn, and the increase of total assets was SEK 5bn.

Uncertainties

The relevant overall risks and uncertainties for the SEB Group are outlined in the 2022 Annual and Sustainability Report.

Business segments

Income statement by segment

	Large Corporates & Financial Institutions	Corporate & Private Customers	Private Wealth Mgmt & Family Office	Baltic	Life	Investment Management	Group Functions	Eliminations	SEB Group
Jan-Mar 2023, SEK m									
Net interest income	4 727	4 912	670	2 157	-37	20	-1 183	31	11 297
Net fee and commission income	1 802	1 231	357	462	639	759	65	-144	5 170
Net financial income	1 300	129	32	128	241	16	594	-36	2 403
Net other income	28	2	2	3	4	0	153	-2	190
Total operating income	7 857	6 274	1 060	2 750	847	795	- 372	-151	19 060
Staff costs	-1 156	-767	-218	-366	-195	-145	-1 388	0	-4 235
Other expenses	-1 552	-1 143	-247	-257	-188	-203	1 691	150	-1 748
Depreciation, amortisation and impairment of tangible and intangible assets	-6	-15	-1	-19	-7	-3	-431		-483
Total operating expenses	-2 714	-1 925	-466	-643	-390	-350	-128	151	-6 465
Profit before credit losses and imposed levies	5 143	4 349	594	2 107	456	445	- 499	0	12 594
Net expected credit losses	-58	-155	-9	-51	0	0	1	-1	-272
Imposed levies: Risk tax and resolution fees	-393	-300	-25	-16		0	32	0	-702
Operating profit	4 692	3 894	560	2 040	456	444	- 465	-1	11 620

	Large Corporates & Financial Institutions	Corporate & Private Customers	Private Wealth Mgmt & Family Office	Baltic	Life	Investment Management	Group Functions	Eliminations	SEB Group
Jan-Mar 2022, SEK m									
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	653	922	39	36	5 381
Net financial income	1 165	127	18	167	147	29	695	-27	2 321
Net other income	41	3	1	3	6	1	-80	-1	-25
Total operating income	5 963	3 925	664	1 426	802	948	1 011	-1	14 739
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
Total operating expenses	-2 453	-1 748	-388	-496	-339	-330	-41	2	-5 793
Profit before credit losses and imposed levies	3 510	2 177	276	929	463	618	970	1	8 945
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
Operating profit	2 792	1 818	260	914	463	618	963	0	7 828

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance contracts. 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 served through the international network.

Income statement

SEK m	Q1		%	Jan–Mar			Full year 2022
	2023	2022		2023	2022	%	
Net interest income	4 727	4 241	11	4 727	2 967	59	14 152
Net fee and commission income	1 802	1 886	-4	1 802	1 790	1	7 402
Net financial income	1 300	1 732	-25	1 300	1 165	12	4 992
Net other income	28	50	-44	28	41	-32	-20
Total operating income	7 857	7 910	-1	7 857	5 963	32	26 526
Staff costs	-1 156	-1 153	0	-1 156	-1 119	3	-4 512
Other expenses	-1 552	-1 486	4	-1 552	-1 325	17	-5 568
Depreciation, amortisation and impairment of tangible and intangible assets	-6	-6	3	-6	-10	-33	-29
Total operating expenses	-2 714	-2 645	3	-2 714	-2 453	11	-10 109
Profit before credit losses and imposed levies	5 143	5 265	-2	5 143	3 510	47	16 417
Net expected credit losses	-58	-244	-76	-58	-396	-85	-1 251
Imposed levies: Risk tax and resolution fees	-393	-305	29	-393	-322	22	-1 218
Operating profit	4 692	4 716	-1	4 692	2 792	68	13 948
Cost/Income ratio	0.35	0.33		0.35	0.41		0.38
Business equity, SEK bn	81.7	77.9		81.7	69.4		74.1
Return on business equity, %	17.7	18.6		17.7	12.4		14.5
FTEs, present ¹⁾	2 330	2 173		2 307	2 203		2 189

¹⁾ Quarterly numbers are for end of quarter. Accumulated numbers are average for the period.

- Corporate customers actively managed risk positions and transition-related financing was in demand
- Financial institutions were active as inflationary concerns and market uncertainty increased
- Operating profit amounted to SEK 4,692m and return on business equity was 17.7 per cent

Comments on the first quarter

Continued concerns regarding inflation and rising interest rates remained evident in the quarter as general macroeconomic uncertainty increased and market volatility continued to be elevated.

Within the *large corporate* customer segment, demand for risk management services continued to be high. Cash management activity remained on elevated levels and corporate deposits increased. Corporate lending remained stable with continued focus on green transition-related financing and environmental, social and governance (ESG) related advisory services. Within investment banking, client activity was healthy in the beginning of the quarter as market conditions gradually improved, but as the financial markets volatility increased, risk appetite amongst clients diminished.

Within the *financial institutions* customer segment, high market activity was driven by volatility in interest rates, foreign exchange and commodity prices. The quarter started with strong credit markets and primary market activity, but

shifted towards the end of the quarter, as financial markets uncertainty arose. Demand for equity products weakened during the quarter but recovered in the latter part on the back of the increased volatility. Assets under custody increased to SEK 18,822bn (18,208) mainly as a consequence of increased asset values.

Operating profit amounted to SEK 4,692m. Net interest income increased by 11 per cent, primarily driven by interest rate hikes. Net fee and commission income decreased by 4 per cent, partly related to lower investment banking activity. Net financial income decreased by 25 per cent partly driven by change in credit spreads which affected the fair value credit adjustment. Operating expenses increased by 3 per cent. Net expected credit losses decreased to SEK 58m, with a net expected credit loss level of 1 basis points.

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 also offered private banking services.

Income statement

SEK m	Q1			Q4			Jan–Mar			Full year
	2023	2022	%	2023	2022	%	2023	2022	%	2022
Net interest income	4 912	4 902	0	4 912	2 730	80	4 912	2 730	80	14 231
Net fee and commission income	1 231	1 253	-2	1 231	1 065	16	1 231	1 065	16	4 814
Net financial income	129	155	-17	129	127	2	129	127	2	549
Net other income	2	5	-56	2	3	-29	2	3	-29	16
Total operating income	6 274	6 315	-1	6 274	3 925	60	6 274	3 925	60	19 610
Staff costs	-767	-762	1	-767	-708	8	-767	-708	8	-2 942
Other expenses	-1 143	-1 232	-7	-1 143	-1 019	12	-1 143	-1 019	12	-4 346
Depreciation, amortisation and impairment of tangible and intangible assets	-15	-15	0	-15	-20	-25	-15	-20	-25	-67
Total operating expenses	-1 925	-2 009	-4	-1 925	-1 748	10	-1 925	-1 748	10	-7 355
Profit before credit losses and imposed levies	4 349	4 306	1	4 349	2 177	100	4 349	2 177	100	12 255
Net expected credit losses	-155	-287	-46	-155	-147	5	-155	-147	5	-785
Imposed levies: Risk tax and resolution fees	-300	-216	39	-300	-212	41	-300	-212	41	-862
Operating profit	3 894	3 803	2	3 894	1 818	114	3 894	1 818	114	10 608
Cost/Income ratio	0.31	0.32		0.31	0.45		0.31	0.45		0.38
Business equity, SEK bn	46.8	44.6		46.8	44.9		46.8	44.9		44.9
Return on business equity, %	25.6	26.2		25.6	12.5		25.6	12.5		18.2
FTEs, present ¹⁾	3 400	3 369		3 374	3 170		3 374	3 170		3 273

¹⁾ Quarterly numbers are for end of quarter. Accumulated numbers are average for the period.

- Transfer of deposits from transaction accounts into higher-yielding term accounts continued
- Net savings in funds was positive
- Operating profit amounted to SEK 3,894m and return on business equity was 25.6 per cent

Comments on the first quarter

With interest rates rising, the demand for accounts with more attractive interest rates rose, driving a continued increase in the share of deposits on term accounts. Transaction account volumes continued to decline following the increase in cost-of-living, primarily in the private segment.

In the *corporate customer segment*, the net inflow of full-service customers continued. During the quarter, lending volume to corporates and card lending decreased by SEK 1bn to SEK 293bn (294). Corporate deposits decreased by SEK 9bn in the quarter.

Among *private customers*, the stalled housing market continued. In combination with elevated levels of amortisations, this led to a small decline in household mortgage lending. Mortgage volumes amounted to SEK 558bn (559). Despite the turbulent stock markets, net savings in funds was positive. Private deposits decreased by SEK 6bn.

In total, lending volumes decreased by SEK 2bn to SEK 869bn. Deposit volumes decreased by SEK 15bn and amounted to SEK 458bn.

The operating profit amounted to SEK 3,894m. Net interest income remained stable as the increased net interest on deposits from the generally higher interest rate environment was offset by the mortgage related decrease in net interest margins. Net fee and commission income decreased somewhat compared with the last quarter due to seasonally lower card and payment commissions. Total operating expenses decreased by 4 per cent due to seasonally high expenses in the fourth quarter. Net expected credit losses amounted to SEK 155m, with a net expected credit loss level of 6 basis points in the first quarter.

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
	2023	2022	%	2023	2022	%	2023	2022	%	2022
Net interest income	670	657	2	670	217		670	217		1 660
Net fee and commission income	357	323	10	357	429	-17	357	429	-17	1 474
Net financial income	32	19	69	32	18	81	32	18	81	75
Net other income	2	-2		2	1	122	2	1	122	2
Total operating income	1 060	997	6	1 060	664	60	1 060	664	60	3 211
Staff costs	-218	-196	11	-218	-181	20	-218	-181	20	-742
Other expenses	-247	-214	16	-247	-206	20	-247	-206	20	-828
Depreciation, amortisation and impairment of tangible and intangible assets	-1	-1	0	-1	-1	44	-1	-1	44	-3
Total operating expenses	-466	-411	14	-466	-388	20	-466	-388	20	-1 573
Profit before credit losses and imposed levies	594	587	1	594	276	115	594	276	115	1 638
Net expected credit losses	-9	-8	16	-9	1		-9	1		-16
Imposed levies: Risk tax and resolution fees	-25	-17	44	-25	-17	47	-25	-17	47	-69
Operating profit	560	562	0	560	260	115	560	260	115	1 553
Cost/Income ratio	0.44	0.41		0.44	0.58		0.44	0.58		0.49
Business equity, SEK bn	3.8	3.5		3.8	3.4		3.8	3.4		3.5
Return on business equity, %	45.7	49.2		45.7	23.3		45.7	23.3		33.9
FTEs, present ¹⁾	497	463		492	447		492	447		456

¹⁾ Quarterly numbers are for end of quarter. Accumulated numbers are average for the period.

- Higher asset values as stock markets improved and net flow was positive
- Customers' demand for financing increased
- Operating profit amounted to SEK 560m and return on business equity was 45.7 per cent

Comments on the first quarter

The first quarter was characterised by higher asset values and increased customer demand for investment products and advisory services. The number of customers increased in selected customer segments, especially in Sweden.

Assets under management increased by 7 per cent compared with the fourth quarter. Net flow amounted to SEK 6bn. The overall stock market development during the quarter explains the market value-related increase of SEK 61bn.

Customer demand for financing increased with lending volumes growing by SEK 3bn to SEK 75bn. Deposit volumes decreased by SEK 6bn to SEK 130bn.

The operating profit amounted to SEK 560m. Net interest income increased by 2 per cent driven mainly by higher interest rates. Net fee and commission income increased by 10 per cent, mainly explained by higher customer activity and increased asset values. Total operating expenses were 14 per cent above the fourth quarter level, partly driven by an internal reallocation. Net expected credit losses amounted to SEK 9m, with a net expected credit loss level of 4 basis points in the first quarter.

Baltic

The division provides full banking and advisory services to private individuals and small and medium-sized corporate customers in Estonia, Latvia and Lithuania.

Income statement

SEK m	Q1			Q4			Jan–Mar			Full year
	2023	2022	%	2023	2022	%	2023	2022	%	2022
Net interest income	2 157	1 610	34	2 157	808	167	4 319			
Net fee and commission income	462	485	-5	462	448	3	1 854			
Net financial income	128	267	-52	128	167	-23	723			
Net other income	3	2	23	3	3	-14	13			
Total operating income	2 750	2 365	16	2 750	1 426	93	6 910			
Staff costs	-366	-399	-8	-366	-282	30	-1 332			
Other expenses	-257	-243	6	-257	-192	34	-816			
Depreciation, amortisation and impairment of tangible and intangible assets	-19	-133	-85	-19	-22	-13	-198			
Total operating expenses	-643	-774	-17	-643	-496	29	-2 345			
Profit before credit losses and imposed levies	2 107	1 590	32	2 107	929	127	4 565			
Net expected credit losses	-51	15		-51	0		17			
Imposed levies: Risk tax and resolution fees	-16	-16	2	-16	-16	3	-62			
Operating profit	2 040	1 590	28	2 040	914	123	4 520			
Cost/Income ratio	0.23	0.33		0.23	0.35		0.34			
Business equity, SEK bn	15.9	14.0		15.9	13.2		13.4			
Return on business equity, %	43.5	38.5		43.5	23.5		28.6			
FTEs, present ¹⁾	2 914	2 872		2 893	2 836		2 862			

¹⁾ Quarterly numbers are for end of quarter. Accumulated numbers are average for the period.

- Continued high inflation and weaker exports dampened economic activity
- Conversion to long-term savings accounts and term deposits with higher interest rates benefited customers
- Operating profit amounted to SEK 2,040m and return on business equity was 43.5 per cent

Comments on the first quarter

Economic activity remained suppressed, underpinned by weaker exports and high inflation, although the labour market remained stable. Construction output declined slightly. Baltic manufacturing decelerated sharply following declining consumption in major export markets following the rapid rise of interest rates. Household consumption was also impacted, but to a lower degree due to relatively low levels of indebtedness in the Baltic region.

Activity in the residential property market was weak and new mortgage loan volumes dropped. Despite this, overall lending volumes to private customers grew. Corporate lending volumes decreased, especially in Lithuania, by 2 per cent. As a result, total lending volumes were flat in local currency and amounted to SEK 184bn (183).

Overall, deposit volumes fell by 2 per cent in local currency and amounted to SEK 242 bn (243). Savings account volumes increased by over a third as SEB pursued a savings and investment strategy aimed at benefiting customers by transferring funds into long-term savings accounts and term deposits with higher interest rates.

Operating profit amounted to SEK 2,040m. Net interest income increased by 29 per cent in local currency as the rising interest rates positively impacted deposit margins. The proportion of deposits in higher interest-rate savings accounts is still relatively low. At the same time, competitive pressures reduced lending margins. Net fee and commission income decreased by 7 per cent in local currency, as consumer activity in card products was suppressed and corporate customers' foreign payments declined. Net financial income decreased by 54 per cent in local currency, due principally to lower market values of interest rate swaps following the movements in market interest rates.

Operating expenses decreased by 20 per cent in local currency owing to higher costs in the preceding quarter, in the form of a derecognition relating to an obsolete core IT platform project and a one-time payment to employees to assist them in light of the current inflationary environment. Net expected credit losses amounted to SEK 51m, or 9 basis points.

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
	2023	2022	%	2023	2022	%	2023	2022	%	2022
Net interest income	-37	-17	120	-37	-4		-37	-4		-36
Net fee and commission income	639	645	-1	639	653	-2	639	653	-2	2 510
Net financial income	241	254	-5	241	147	64	241	147	64	738
Net other income	4	-1		4	6	-35	4	6	-35	6
Total operating income	847	882	-4	847	802	6	847	802	6	3 219
Staff costs	-195	-187	4	-195	-168	16	-195	-168	16	-719
Other expenses	-188	-199	-6	-188	-165	14	-188	-165	14	-696
Depreciation, amortisation and impairment of tangible and intangible assets	-7	-6	26	-7	-5	28	-7	-5	28	-21
Total operating expenses	-390	-392	0	-390	-339	15	-390	-339	15	-1 436
Profit before credit losses and imposed levies	456	490	-7	456	463	-2	456	463	-2	1 782
Net expected credit losses	0	0		0	0		0	0		-1
Imposed levies: Risk tax and resolution fees										
Operating profit	456	489	-7	456	463	-1	456	463	-1	1 781
Cost/Income ratio	0.46	0.44		0.46	0.42		0.46	0.42		0.45
Business equity, SEK bn	5.4	5.2		5.4	5.3		5.4	5.3		5.2
Return on business equity, %	31.5	34.8		31.5	32.7		31.5	32.7		31.7
FTEs, present ¹⁾	902	868		895	849		895	849		856

¹⁾ Quarterly numbers are for end of quarter. Accumulated numbers are average for the period.

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance contracts. See section on restated comparative figures for further information.

- Positive development of sales volumes
- Recovering markets contributed to stable result
- Operating profit amounted to SEK 456m and return on business equity was 31.5 per cent

Comments on the first quarter

Recovery of the financial markets and continued rising interest rates contributed to a stable result in the first quarter. The savings product market continued to be challenging, but showed an uplift in the first quarter, with sales volumes increasing by 20 per cent in total. This was due to both higher activity levels as well as some seasonality effects. Swedish sales of both unit-linked and portfolio bond products showed a positive development.

Swedish sales of occupational pension products continued to be stable, whereas contractual pension and corporate endowment products showed an increase in sales compared with previous quarter. Risk insurance sales decreased. Baltic sales on a total level increased compared with previous quarter, mainly due to growth in the pension fund business.

SEB's market share in the Swedish life insurance market remained strong at 11.3 per cent¹⁾, and the bank remained among the top-three in the market. The market share in the Baltic region remained solid and unchanged.

Total assets under management amounted to SEK 451bn, an increase of 4 per cent. The increase was to a large extent driven by higher underlying asset values in the unit-linked business, but also a result of positive net flows into the portfolio bond product and Baltic pension funds. In total, unit-linked assets amounted to SEK 372bn (358), traditional and risk insurance assets amounted to SEK 32bn (31) and other savings products SEK 47bn (44).

Operating profit amounted to SEK 456m, a decrease of 7 per cent compared with the previous quarter. Net fee and commission income decreased slightly, by 1 per cent, largely connected to income from the unit-linked business. Net financial income decreased by 5 per cent. Improved market returns and higher interest rates had a positive effect on income in the traditional and other portfolios. This was offset by a decrease in income from risk insurance. Operating expenses were in line with the previous quarter.

¹⁾ 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
	2023	2022	%	2023	2022	%	2022	
Net interest income	20	15	33	20	-4		18	
Net fee and commission income	759	744	2	759	922	-18	3 227	
Net financial income	16	9	67	16	29	-46	66	
Net other income	0	0		0	1	-73	3	
Total operating income	795	769	3	795	948	-16	3 314	
Staff costs	-145	-159	-9	-145	-137	5	-581	
Other expenses	-203	-220	-8	-203	-190	7	-794	
Depreciation, amortisation and impairment of tangible and intangible assets	-3	-3	0	-3	-3	-2	-11	
Total operating expenses	-350	-382	-8	-350	-330	6	-1 386	
Profit before credit losses and imposed levies	445	388	15	445	618	-28	1 929	
Net expected credit losses	0	0		0	0		0	
Imposed levies: Risk tax and resolution fees	0	0		0	0		-1	
Operating profit	444	387	15	444	618	-28	1 928	
Cost/Income ratio	0.44	0.50		0.44	0.35		0.42	
Business equity, SEK bn	2.5	2.4		2.5	2.4		2.5	
Return on business equity, %	55.2	49.7		55.2	79.2		61.2	
FTEs, present ¹⁾	270	268		269	250		259	

¹⁾Quarterly numbers are for end of quarter. Accumulated numbers are average for the period.

- Recovering equity markets impacted volumes positively
- SEB-labelled mutual funds classified as Article 8 or 9 represented 91 per cent of total assets under management
- Operating profit amounted to SEK 444m and return on business equity was 55.2 per cent

Comments on the first quarter

The quarter started with a recovery of the asset values but ended with new uncertainty in the financial markets. Overall, assets under management were impacted positively and increased by SEK 26bn to SEK 1,100bn (1,074). Higher market values increased assets under management by SEK 41bn. The net flow was SEK -15bn. The bulk of the outflows were low margin institutional mandates.

For SEB Investment Management, assets under management in the SEB-labelled mutual funds increased by SEK 22bn to SEK 706bn (684). The market values increased particularly within equity funds while clients showed an interest in investing in lower risk, fixed income products. SEB-labelled mutual funds classified in line with Article 8 and 9¹ in the Sustainable Finance Disclosure Regulation (SFDR) amounted to SEK 646bn (616), which represented 91 per cent of assets under management (90). Of the total,

SEK 627bn was classified as Article 8 and SEK 19bn was classified as Article 9

Within *Institutional Asset Management*, clients were more focused on higher risk assets at the beginning of the quarter but were later influenced by the turbulence in the global financial sector which impacted overall activity. The interest in alternative products offering inflation protection, lower correlation to other asset classes and stable returns remained strong.

Operating profit increased to SEK 444m mainly due to higher base commissions which amounted to SEK 673m. The underlying increase of 1 per cent were driven by higher average assets under management. Performance fees were seasonally strong but decreased slightly compared with the last quarter and amounted to SEK 82m. Operating expenses decreased by 8 per cent, mainly driven by low staff and IT costs.

¹ 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.

Financial statements – SEB Group

Income statement, condensed

SEK m	Note	Q1			Jan-Mar			Full year
		2023	2022	%	2023	2022	%	2022
Net interest income	2	11 297	9 715	16	11 297	7 062	60	33 443
Net fee and commission income	3	5 170	5 410	-4	5 170	5 381	-4	21 534
Net financial income	4	2 403	3 476	-31	2 403	2 321	4	9 242
Net other income		190	196	-3	190	-25		258
Total operating income		19 060	18 798	1	19 060	14 739	29	64 478
Staff costs		-4 235	-4 172	1	-4 235	-3 762	13	-15 980
Other expenses		-1 748	-1 982	-12	-1 748	-1 543	13	-6 986
Depreciation, amortisation and impairment of tangible and intangible assets		- 483	- 602	-20	- 483	- 488	-1	-2 078
Total operating expenses		-6 465	-6 757	-4	-6 465	-5 793	12	-25 044
Profit before credit losses and imposed levies		12 594	12 041	5	12 594	8 945	41	39 434
Net expected credit losses	5	- 272	- 506	-46	- 272	- 535	-49	-2 007
Imposed levies: Risk tax and resolution fees	6	- 702	- 578	21	- 702	- 582	21	-2 288
Operating profit before items affecting comparability		11 620	10 957	6	11 620	7 828	48	35 138
Items affecting comparability	7		-1 399	-100				-1 399
Operating profit		11 620	9 558	22	11 620	7 828	48	33 739
Income tax expense		-2 227	-2 156	3	-2 227	-1 454	53	-6 862
NET PROFIT		9 393	7 402	27	9 393	6 374	47	26 877
Attributable to shareholders of Skandinaviska Enskilda Banken AB		9 393	7 402	27	9 393	6 374	47	26 877
Basic earnings per share, SEK		4.45	3.49		4.45	2.96		12.58
Diluted earnings per share, SEK		4.42	3.46		4.42	2.94		12.48

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance contracts. See section on restated comparative figures for further information.

Statement of comprehensive income

SEK m	Q1			Jan-Mar			Full year
	2023	2022	%	2023	2022	%	2022
NET PROFIT	9 393	7 402	27	9 393	6 374	47	26 877
Cash flow hedges	- 9	- 2		- 9	30		81
Translation of foreign operations	667	- 8		667	167		1 438
Items that may subsequently be reclassified to the income statement:	657	- 10		657	197		1 519
Own credit risk adjustment (OCA) ¹⁾	- 11	- 4	175	- 11	34		48
Defined benefit plans	319	443	-28	319	840	-62	641
Items that will not be reclassified to the income statement:	308	439	-30	308	874	-65	689
OTHER COMPREHENSIVE INCOME	965	429	125	965	1 072	-10	2 208
TOTAL COMPREHENSIVE INCOME	10 359	7 831	32	10 359	7 446	39	29 085
Attributable to shareholders of Skandinaviska Enskilda Banken AB	10 359	7 831	32	10 359	7 446	39	29 085

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

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance contracts. See section on restated comparative figures for further information.

Balance sheet, condensed

SEK m	31 Mar 2023	31 Dec 2022	1 Jan 2022
Cash and cash balances at central banks	393 440	377 966	439 344
Loans to central banks	95 897	73 962	4 454
Loans to credit institutions ²⁾	109 499	77 235	60 009
Loans to the public	2 072 796	2 065 271	1 846 362
Debt securities	429 519	252 496	205 791
Equity instruments	74 049	68 779	123 229
Financial assets for which the customers bear the investment risk	370 361	354 299	420 170
Derivatives	155 409	187 622	126 051
Other assets	100 791	75 150	78 788
TOTAL ASSETS	3 801 761	3 532 779	3 304 197
Deposits from central banks and credit institutions	141 406	66 873	75 206
Deposits and borrowings from the public ¹⁾	1 788 806	1 701 687	1 597 449
Financial liabilities for which the customers bear the investment risk	372 705	355 796	421 820
Liabilities to policyholders	34 008	33 425	37 194
Debt securities issued	902 554	795 149	730 106
Short positions	46 683	44 635	34 569
Derivatives	184 291	238 048	118 173
Other financial liabilities	215	172	5 721
Other liabilities	117 994	92 852	91 010
Total liabilities	3 588 662	3 328 637	3 111 249
Equity	213 099	204 141	192 948
TOTAL LIABILITIES AND EQUITY	3 801 761	3 532 779	3 304 197
1) Deposits covered by deposit guarantees	398 245	402 711	387 382

2) Loans to credit institutions and liquidity placements with other direct participants in interbank fund transfer systems.

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance contracts. See section on restated comparative figures for further information.

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

Statement of changes in equity

SEK m	Share capital	Other reserves ¹⁾			Defined benefit plans	Retained earnings	Equity
		OCA ²⁾	Cash flow hedges	Translation of foreign operations			
Jan-Mar 2023							
Opening balance	21 942	-175	62	877	20 439	160 996	204 141
Net profit						9 393	9 393
Other comprehensive income (net of tax)		-11	-9	667	319		965
Total comprehensive income		-11	-9	667	319	9 393	10 359
Equity-based programmes						-68	-68
Change in holdings of own shares ⁴⁾						-1 333	-1 333
Closing balance	21 942	-186	53	1 544	20 758	168 988	213 099
Jan-Dec 2022							
Opening balance	21 942	-223	-18	-561	19 798	152 290	193 228
Effect of applying IFRS 17 ³⁾						-280	-280
Restated balance at 1 January 2022	21 942	-223	-18	-561	19 798	152 011	192 948
Net profit						26 877	26 877
Other comprehensive income (net of tax)		48	81	1 438	641		2 208
Total comprehensive income		48	81	1 438	641	26 877	29 085
Dividend to shareholders						-12 884	-12 884
Bonus issue	154					-154	
Cancellation of shares	-154					-1 722	-1 876
Equity-based programmes						-167	-167
Change in holdings of own shares ⁴⁾						-2 965	-2 965
Closing balance³⁾	21 942	-175	62	877	20 439	160 996	204 141
Jan-Mar 2022							
Opening balance	21 942	-223	-18	-561	19 798	152 290	193 228
Effect of applying IFRS 17 ³⁾						-280	-280
Restated balance at 1 January 2022	21 942	-223	-18	-561	19 798	152 011	192 948
Net profit						6 374	6 374
Other comprehensive income (net of tax)		34	30	167	840		1 072
Total comprehensive income		34	30	167	840	6 374	7 446
Dividend to shareholders						-12 884	-12 884
Equity-based programmes						-75	-75
Change in holdings of own shares ⁴⁾						-1 213	-1 213
Closing balance³⁾	21 942	-188	12	-394	20 638	144 213	186 222

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) IFRS 17 Insurance Contracts is applied from 1 January 2023. Opening balance 2022 has been restated.

4) Number of shares owned by SEB:

	Jan-Mar 2023	Jan-Dec 2022	Jan-Mar 2022
Number of shares owned by SEB, million			
Opening balance	65.3	37.8	37.8
Repurchased shares for equity-based programmes	2.7	6.1	2.2
Sold/distributed shares	-3.0	-6.4	-2.5
Repurchased shares for capital purposes	9.8	43.3	10.0
Cancelled shares held for capital purposes		-15.4	
Closing balance	74.8	65.3	47.5
Market value of shares owned by SEB, SEK m	8 550	7 831	4 867
Net acquisition cost for purchase of own shares for equity based programmes deducted from equity, period	-56	-114	-37
Net acquisition cost for purchase of own shares for equity-based programmes deducted from equity, accumulated	-2 628	-2 572	-2 495

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
	2023	2022	%	2022
Cash flow from the profit and loss statement	9 100	24 055	- 62	61 947
Increase (-)/decrease (+) in trading portfolios	- 202 197	- 107 401	88	10 887
Increase (+)/decrease (-) in issued short term securities	106 702	47 919	123	64 558
Increase (-)/decrease (+) in lending	- 56 267	- 104 340	- 46	- 306 020
Increase (+)/decrease (-) in deposits and borrowings	159 507	350 035	- 54	95 507
Increase/decrease in other balance sheet items ²⁾	1 512	- 6 038		2 954
Cash flow from operating activities ²⁾	18 356	204 230	- 91	- 70 166
Cash flow from investing activities	- 403	- 483	- 17	- 805
Cash flow from financing activities ²⁾	- 1 278	- 14 059	- 91	- 17 828
Net increase in cash and cash equivalents	16 676	189 688	- 91	- 88 799
Cash and cash equivalents at the beginning of year	382 972	445 716	- 14	445 716
Exchange rate differences on cash and cash equivalents	1 897	4 931	- 62	26 055
Net increase in cash and cash equivalents	16 676	189 688	- 91	- 88 799
Cash and cash equivalents at the end of period¹⁾	401 545	640 335	- 37	382 972

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.

2) Restated following adjustment of repurchased shares.

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 2023, the group applies the following amendments to IFRS standards:

IFRS 17 *Insurance Contracts* which replaces IFRS 4 *Insurance Contracts*, applies to all types of insurance contracts as well as to certain financial instruments with discretionary participation features. The adoption of IFRS 17 has not had a significant impact on the classification of the group's insurance contracts. However, IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the group. On adoption, IFRS 17 changed the measurement and presentation of insurance contracts and participating investment contracts. Investment contracts with no significant insurance component

or discretionary participating features, equity release and investment management business are out of scope and therefore not impacted by the new standard. The presentation of results of insurance contracts will, as in the current income statement presentation, be split and recognised on the relevant lines. See note 1 in the *Annual and Sustainability Report 2022* for more information about accounting policies under IFRS 17. See page 45 for information about effects from the implementation of IFRS 17.

Definition of Accounting Estimates - Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which introduces a new definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Disclosure of Accounting Policies - Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2: Making Materiality Judgements. The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12 *Income Taxes* narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments have not had a material effect on the financial statements of the group or on capital adequacy and large exposures.

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 Annual and Sustainability Report for 2022.

Note 2 Net interest income

SEK m	Q1		Q4	Jan-Mar			Full year
	2023	2022	%	2023	2022	%	2022
Interest income ¹⁾	27 420	22 711	21	27 420	8 399		56 150
Interest expense	-16 123	-12 996	24	-16 123	-1 337		-22 707
Net interest income	11 297	9 715	16	11 297	7 062	60	33 443
1) Of which interest income calculated using the effective interest method	24 538	20 539	19	24 538	7 432		50 224

Note 3 Net fee and commission income

SEK m	Q1			Q4			Jan-Mar			Full year
	2023	2022	%	2023	2022	%	2023	2022	%	2022
Issue of securities and advisory services	317	292	9	317	422	-25	317	422	-25	1 458
Secondary market and derivatives	428	572	-25	428	562	-24	428	562	-24	2 142
Custody and mutual funds	2 376	2 335	2	2 376	2 762	-14	2 376	2 762	-14	10 117
<i>Whereof performance fees</i>	82	84	-2	82	164	-50	82	164	-50	442
Payments, cards, lending, deposits, guarantees and other	3 418	3 334	3	3 418	2 805	22	3 418	2 805	22	12 480
<i>Whereof payments and card fees</i>	1 764	1 807	-2	1 764	1 474	20	1 764	1 474	20	6 771
<i>Whereof lending</i>	846	923	-8	846	804	5	846	804	5	3 546
Life insurance commissions	358	355	1	358	366	-2	358	366	-2	1 404
Fee and commission income	6 897	6 887	0	6 897	6 916	0	6 897	6 916	0	27 601
Fee and commission expense	-1 727	-1 477	17	-1 727	-1 535	13	-1 727	-1 535	13	-6 067
Net fee and commission income	5 170	5 410	-4	5 170	5 381	-4	5 170	5 381	-4	21 534
<i>Whereof Net securities commissions</i>	2 289	2 364	-3	2 289	2 727	-16	2 289	2 727	-16	9 916
<i>Whereof Net payment and card fees</i>	1 154	1 238	-7	1 154	969	19	1 154	969	19	4 565
<i>Whereof Net life insurance commissions</i>	255	240	6	255	259	-1	255	259	-1	970
<i>Whereof Other commissions</i>	1 471	1 568	-6	1 471	1 425	3	1 471	1 425	3	6 083

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance contracts. See section on restated comparative figures for further information.

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
Q1 2023									
Issue of securities and advisory	307	2	7						317
Secondary market and derivatives	341	8	75	9	0	3	-7	0	428
Custody and mutual funds	377	259	229	52	53	1 833	0	-428	2 376
Payments, cards, lending, deposits, guarantees and other	1 562	1 331	72	592	64	12	94	-309	3 418
Life insurance commissions					782			-424	358
Fee and commission income	2 587	1 600	384	653	899	1 848	87	-1 161	6 897
Q4 2022									
Issue of securities and advisory	283	2	7						292
Secondary market and derivatives	491	6	66	6	0	3	-1	0	572
Custody and mutual funds	384	248	207	50	51	1 820	0	-426	2 335
Payments, cards, lending, deposits, guarantees and other	1 417	1 337	65	615	102	16	89	-308	3 334
Life insurance commissions					769			-414	355
Fee and commission income	2 576	1 594	345	671	922	1 839	88	-1 148	6 887
Jan-Mar 2023									
Issue of securities and advisory	307	2	7						317
Secondary market and derivatives	341	8	75	9	0	3	-7	0	428
Custody and mutual funds	377	259	229	52	53	1 833	0	-428	2 376
Payments, cards, lending, deposits, guarantees and other	1 562	1 331	72	592	64	12	94	-309	3 418
Life insurance commissions					782			-424	358
Fee and commission income	2 587	1 600	384	653	899	1 848	87	-1 161	6 897
Jan-Mar 2022									
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					817			-451	366
Fee and commission income	2 548	1 367	453	608	920	2 222	63	-1 267	6 916

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 2022 have been restated for the transition to IFRS 17 Insurance contracts. See section on restated comparative figures for further information.

Note 4 Net financial income

SEK m	Q1			Q4			Jan-Mar			Full year
	2023	2022	%	2023	2022	%	2023	2022	%	2022
Equity instruments and related derivatives	328	653	-50	328	129	154	328	129	154	582
Debt instruments and related derivatives	228	1 361	-83	228	165	38	228	165	38	1 418
Currency and related derivatives	1 335	1 109	20	1 335	1 309	2	1 335	1 309	2	5 099
Other	512	354	45	512	718	-29	512	718	-29	2 144
Net financial income	2 403	3 476	-31	2 403	2 321	4	2 403	2 321	4	9 242
<i>Whereof unrealised valuation changes from counterparty risk and own credit standing in derivatives</i>	-228	317		-228	249		-228	249		457

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance contracts. See section on restated comparative figures for further information.

Note 5 Net expected credit losses

SEK m	Q1			Q4			Jan-Mar			Full year
	2023	2022	%	2023	2022	%	2023	2022	%	2022
Impairment gains or losses - Stage 1	84	- 511		84	- 422		84	- 422		-1 384
Impairment gains or losses - Stage 2	- 140	- 84	66	- 140	254		- 140	254		74
Impairment gains or losses - Stage 3	- 230	73		- 230	- 373	-38	- 230	- 373	-38	- 708
Impairment gains or losses	- 286	- 522	-45	- 286	- 541	-47	- 286	- 541	-47	-2 018
Write-offs and recoveries										
Total write-offs	- 660	- 925	-29	- 660	-1 360	-51	- 660	-1 360	-51	-3 086
Reversals of allowance for write-offs	594	883	-33	594	1 311	-55	594	1 311	-55	2 873
Write-offs not previously provided for	- 66	- 43	54	- 66	- 49	35	- 66	- 49	35	- 213
Recovered from previous write-offs	80	58	37	80	55	45	80	55	45	224
Net write-offs	14	15	-9	14	6	128	14	6	128	11
Net expected credit losses	- 272	- 506	-46	- 272	- 535	-49	- 272	- 535	-49	-2 007
Net ECL level, %	0.04	0.08		0.04	0.08		0.04	0.08		0.07

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 11-13.

Note 6 Imposed levies: risk tax and resolution fees

SEK m	Q1			Q4			Jan-Mar			Full year
	2023	2022	%	2023	2022	%	2023	2022	%	2022
Risk tax	- 394	- 300	31	- 394	- 296	33	- 394	- 296	33	-1 187
Resolution fees	- 308	- 277	11	- 308	- 287	7	- 308	- 287	7	-1 101
Imposed levies: Risk tax and resolution fees	- 702	- 578	21	- 702	- 582	21	- 702	- 582	21	-2 288

Note 7 Items affecting comparability

SEK m	Q1			Q4			Jan-Mar			Full year
	2023	2022	%	2023	2022	%	2023	2022	%	2022
Net expected credit losses		-1 399	-100							-1 399
Operating profit before items affecting comparability		-1 399	-100							-1 399
Items affecting comparability		-1 399	-100							-1 399
Income tax on IAC										
Items affecting comparability after tax		-1 399	-100							-1 399

The table shows the rows in which the Items affecting comparability would have been reported if not presented as an item affecting comparability.

Items affecting comparability 2022

Under the current conditions it is not viable for SEB to maintain operations in Russia, and SEB therefore started scaling these down in 2022. This will be done in a responsible and orderly manner and in accordance with regulatory and legal obligations. The Russian Federation has limited different transactions between subsidiaries in Russia with parent companies in so called unfriendly countries, and limited the amount that may be transferred abroad to a maximum of an aggregated sum of RUB 10m per calendar month. During the fourth quarter 2022, an impairment of SEK 1.4bn related to Russia was recognised..

Note 8 Pledged assets and obligations

SEK m	31 Mar 2023	31 Dec 2022
Pledged assets for own liabilities ¹⁾	713 082	586 059
Pledged assets for liabilities to insurance policyholders	406 707	388 959
Other pledged assets ²⁾	132 033	62 565
Pledged assets	1 251 822	1 037 584
Contingent liabilities ³⁾	188 529	180 358
Commitments	912 034	882 065
Obligations	1 100 564	1 062 423

1) Of which collateralised for own issued covered bonds SEK 329,645m (290,341).

2) Of which pledged but unencumbered bonds SEK 84,762m (19,180).

3) Of which financial guarantees SEK 11,516m (11,209).

Note 9 Financial assets and liabilities

SEK m	31 Mar 2023		31 Dec 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Loans ¹⁾	2 669 271	2 654 095	2 591 848	2 549 773
Debt securities	429 519	429 482	252 496	252 382
Equity instruments	74 049	74 049	68 779	68 779
Financial assets for which the customers bear the investment risk	370 361	370 361	354 299	354 299
Derivatives	155 409	155 409	187 622	187 622
Other	35 710	35 710	15 249	15 249
Financial assets	3 734 320	3 719 107	3 470 292	3 428 103
Deposits	1 930 212	1 928 912	1 768 560	1 767 789
Financial liabilities for which the customers bear the investment risk	372 705	372 705	355 796	355 796
Debt securities issued ²⁾	931 959	923 123	823 916	816 840
Short positions	46 683	46 683	44 635	44 635
Derivatives	184 291	184 291	238 048	238 048
Other	44 185	44 190	25 870	25 872
Financial liabilities	3 510 035	3 499 904	3 256 825	3 248 980

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).

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance contracts. See section on restated comparative figures for further information.

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 2022.

Note 10 Assets and liabilities measured at fair value

SEK m	31 Mar 2023				31 Dec 2022			
	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
Assets								
Loans		128 181	1 674	129 856		110 833	1 429	112 262
Debt securities	270 583	147 341	1 147	419 071	118 915	123 620	1 095	243 630
Equity instruments	52 736	382	20 931	74 049	47 979	476	20 324	68 779
Financial assets for which the customers bear the investment risk	348 383	13 181	8 797	370 361	333 354	11 776	9 169	354 299
Derivatives	1 615	153 509	286	155 409	1 269	186 007	346	187 622
Investment in associates ¹⁾	36		633	669	46		504	550
Total	673 353	442 595	33 468	1 149 415	501 563	432 713	32 866	967 142
Liabilities								
Deposits		44 337		44 337		14 563		14 563
Financial liabilities for which the customers bear the investment risk	350 727	13 181	8 797	372 705	334 851	11 776	9 169	355 796
Debt securities issued		6 663		6 663		7 370		7 370
Short positions	31 688	14 996		46 683	34 401	10 235		44 635
Derivatives	1 641	182 313	337	184 291	991	236 666	390	238 048
Other financial liabilities at fair value	107	108		215	127	45		172
Total	384 162	261 598	9 134	654 894	370 370	280 655	9 559	660 584

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

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance contracts. See section on restated comparative figures for further information.

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 and 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 counterpart. 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.

The note continues on the next page.

Note 10, continued. Assets and liabilities measured at fair value

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 counterparts 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.

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. At the end of the first quarter, SEK 0.4bn in Financial assets for which the customer bear the investment risk was transferred out of Level 3 due to separation of Russian holdings from Eastern Europe funds, and in addition SEK 0.2bn was transferred out of Level 3 due to changes in market conditions. 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	Reclassification	Gain/loss in	Purchases	Sales	Settlements	Transfers	Transfers	Exchange	Closing balance
	1 Jan 2023		Income statement ¹⁾				into Level 3	out of Level 3	rate differences	31 Mar 2023
Assets										
Loans	1 429		-52	264					33	1 674
Debt securities	1 095		6	31					15	1 147
Equity instruments	20 324	-20	389	658	-441			-17	37	20 931
Financial assets for which the customers bear the investment risk	9 169		52	322	-290		30	-605	119	8 797
Derivatives	346		88		-21	-74		-53		286
Investment in associates	504	20	34	76						633
Total	32 866		516	1 351	-751	-74	30	-675	204	33 467
Liabilities										
Financial liabilities for which the customers bear the investment risk	9 169		52	322	-290		30	-605	119	8 797
Derivatives	390		94	-21		-67		-59		337
Total	9 559		146	301	-290	-67	30	-664	119	9 134

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. Further details about SEB's fair value measurement can be found in note 36 in the Annual and Sustainability Report 2022.

SEK m	31 Mar 2023				31 Dec 2022			
	Assets	Liabilities	Net	Sensitivity	Assets	Liabilities	Net	Sensitivity
Derivative instruments ¹⁾⁴⁾	286	-337	-51	44	346	-382	-36	51
Debt instruments ⁵⁾	1 674		1 674	251	1 429		1 429	214
Equity instruments ²⁾⁵⁾⁶⁾	4 444		4 444	889	4 098		4 098	799
Insurance holdings - Financial instruments ³⁾⁴⁾⁶⁾⁷⁾	16 859		16 859	2 270	16 571		16 571	2 270

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 11 Exposure and expected credit loss (ECL) allowances by stage

SEK m	31 Mar 2023	31 Dec 2022
Stage 1 (12-month ECL)		
Debt securities	10 449	8 866
Loans ¹⁾	2 022 558	1 982 103
Financial guarantees and Loan commitments	889 827	863 137
Gross carrying amounts/Nominal amounts Stage 1	2 922 834	2 854 107
Debt securities	-1	0
Loans ¹⁾	-2 152	-2 202
Financial guarantees and Loan commitments	-604	-633
ECL allowances Stage 1	-2 757	-2 835
Debt securities	10 448	8 866
Loans ¹⁾	2 020 407	1 979 902
Financial guarantees and Loan commitments	889 224	862 504
Carrying amounts/Net amounts Stage 1	2 920 078	2 851 272
Stage 2 (lifetime ECL)		
Loans ¹⁾²⁾	66 237	69 372
Financial guarantees and Loan commitments	13 901	15 136
Gross carrying amounts/Nominal amounts Stage 2	80 138	84 508
Loans ¹⁾²⁾	-1 634	-1 503
Financial guarantees and Loan commitments	-173	-162
ECL allowances Stage 2	-1 807	-1 665
Loans ¹⁾²⁾	64 604	67 869
Financial guarantees and Loan commitments	13 728	14 974
Carrying amounts/Net amounts Stage 2	78 331	82 843
Stage 3 (credit impaired/lifetime ECL)		
Loans ¹⁾³⁾	6 383	6 846
Financial guarantees and Loan commitments ³⁾	455	422
Gross carrying amounts/Nominal amounts Stage 3	6 838	7 268
Loans ¹⁾³⁾	-3 565	-3 911
Financial guarantees and Loan commitments ³⁾	-205	-201
ECL allowances Stage 3	-3 770	-4 112
Loans ¹⁾³⁾	2 818	2 934
Financial guarantees and Loan commitments ³⁾	251	221
Carrying amounts/Net amounts Stage 3	3 068	3 155

The note continues on the next page.

Note 11, continued. Exposure and expected credit loss (ECL) allowances by stage

SEK m	31 Mar 2023	31 Dec 2022
Total		
Debt securities	10 449	8 866
Loans ¹⁾²⁾³⁾	2 095 178	2 058 321
Financial guarantees and Loan commitments ³⁾	904 184	878 696
Gross carrying amounts/Nominal amounts	3 009 811	2 945 883
Debt securities	-1	0
Loans ¹⁾²⁾³⁾	-7 351	-7 616
Financial guarantees and Loan commitments ³⁾	-982	-997
ECL allowances	-8 334	-8 613
Debt securities	10 448	8 866
Loans ¹⁾²⁾³⁾	2 087 828	2 050 705
Financial guarantees and Loan commitments ³⁾	903 202	877 699
Carrying amounts/Net amounts	3 001 478	2 937 270

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

2) Whereof gross carrying amounts SEK 1,636m (1,589) and ECL allowances SEK 3m (3) under Lifetime ECLs -simplified approach for trade receivables.

3) Whereof gross carrying amounts SEK 1,296m (1,769) and ECL allowances SEK 1,109m (1,481) 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, %	0.30	0.33
Stage 3 loans / Total loans, net, %	0.13	0.14
ECL coverage ratio Stage 1, %	0.09	0.10
ECL coverage ratio Stage 2, %	2.25	1.97
ECL coverage ratio Stage 3, %	55.13	56.58
ECL coverage ratio, %	0.28	0.29

Development of exposures and ECL allowances by stage

Asset quality indicators were broadly stable during the quarter. Credit-impaired loans (gross loans in Stage 3) decreased marginally to SEK 6.4bn (6.8), corresponding to 0.30 per cent of total loans (0.33), mainly due to limited inflow and write-offs against reserves. Stage 1 ECL allowances decreased mainly due to the macroeconomic scenario revisions, while Stage 2 ECL allowances increased due a few, isolated engagements.

Measurement of ECL allowances

SEB uses models and expert credit judgement (ECJ) for calculating ECL allowances. The degree of expert credit judgement depends on model outcome, materiality and

information available. ECJ may be applied to incorporate factors not captured by the models, either on counterparty or portfolio level.

Model overlays on portfolio level using ECJ have been determined through top-down scenario analysis, including various scenarios of risk migration of complete portfolios. This has been combined with bottom-up individual customer analysis of larger corporate customers and analysis and stress tests of sectors specifically exposed to economic distress, including supply chain issues, higher energy prices and inflation risks. The model overlays are re-evaluated quarterly in connection with the assessment of ECL allowances.

The note continues on the next page.

Note 11, continued. Exposure and expected credit loss (ECL) allowances by stage

In the first quarter, portfolio model overlays were maintained at SEK 2.2bn, mainly to reflect the risks in general from higher energy prices, supply chain issues and inflation as well as the challenges within the real estate sector in Sweden as many companies are adjusting to the new interest rate and capital market environments. SEK 0.9bn of the total model overlays relates to the Large Corporates & Financial Institutions division, SEK 0.8bn to the Corporate & Private Customers division, SEK 0.5bn to the Baltic division and SEK 0.1bn to the Private Wealth Management & Family Office division.

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.

The base scenario for the first quarter maintains the assumption of a mild recession in 2023. Household buffer savings are starting to decrease, and confidence indicators in the business sector have fallen to levels suggesting some decline in output. The delay in the downturn has contributed to some upward adjustments in the full year 2023 GDP forecasts, while a general increase in central bank hawkishness is delaying a rebound which has led to a slight downward revision of 2024 GDP forecasts.

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

Base scenario assumptions	2023	2024	2025
Global GDP growth	2.5%	3.3%	4.0%
OECD GDP growth	0.7%	1.7%	2.3%
Sweden			
GDP growth	-1.2%	1.1%	2.3%
Household consumption expenditure growth	-1.7%	1.2%	2.5%
Interest rate (STIBOR)	3.05%	2.35%	2.15%
Residential real estate price growth	-5.0%	3.0%	3.0%
Baltic countries			
GDP growth	0.1% - 0.4%	2.7% - 3.5%	3.5%
Household consumption expenditure growth	0% - 1.0%	3.5%	3.0%
Inflation rate	8.5% - 9.0%	2.0% - 2.9%	3.0%
Nominal wage growth	7.5% - 9.0%	6.5% - 6.7%	6.0%
Unemployment rate	6.9% - 7.5%	6.0% - 7.2%	5.8% - 6.8%

The negative scenario reflects the downside risk from the shift to aggressive monetary policy, especially considering the lengthy time lag before rate hikes have an impact on the economy. The potential for more favourable economic performance in the positive scenario lies mainly in inflation falling faster than according to the current consensus and our main forecast. A further description of the scenarios is available in the Nordic Outlook update published in January 2023.

The probability for the base scenario was maintained at 60 per cent, while the probability for the positive scenario was

increased from 15 to 20 per cent and the probability for the negative scenario was lowered from 25 to 20 per cent.

The update of the macroeconomic parameters and scenario probability weights led to a decrease of total ECL allowances in the first quarter 2023. Should the positive and negative scenarios be assigned 100 per cent probability, the model calculated ECL allowances would decrease by 4 per cent and increase by 6 per cent respectively compared with the probability-weighted calculation.

SEB's measurement of ECL allowances and related assumptions according to IFRS 9 can be found on notes 1 and 18 in the Annual and Sustainability Report for 2022.

Note 12 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
Loans and Debt securities				
ECL allowance as of 31 December 2022	2 202	1 503	3 911	7 616
New and derecognised financial assets, net	47	-94	-88	-136
Changes due to change in credit risk	-96	212	304	420
Changes due to modifications	1	8		8
Changes due to methodology change	-5	3	12	10
Decreases in ECL allowances due to write-offs			-594	-594
Change in exchange rates	5	2	20	27
ECL allowance as of 31 March 2023	2 153	1 634	3 565	7 352
Financial guarantees and Loan commitments				
ECL allowance as of 31 December 2022	633	162	201	997
New and derecognised financial assets, net	4	-6	-1	-3
Changes due to change in credit risk	-34	13	4	-17
Changes due to modifications		0		0
Changes due to methodology change	-1	4	-1	3
Change in exchange rates	2	-1	1	2
ECL allowance as of 31 March 2023	604	173	205	982
Total Loans, Debt securities, Financial guarantees and Loan commitments				
ECL allowance as of 31 December 2022	2 835	1 665	4 112	8 613
New and derecognised financial assets, net	51	-100	-89	-139
Changes due to change in credit risk	-130	225	308	403
Changes due to modifications	1	8		8
Changes due to methodology change	-6	7	12	13
Decreases in ECL allowances due to write-offs			-594	-594
Change in exchange rates	6	2	22	30
ECL allowance as of 31 March 2023	2 757	1 807	3 770	8 334

SEB's measurement of ECL allowances and related assumptions according to IFRS 9 can be found on pages 122-123 and 153-154 in the Annual and Sustainability Report 2022.

Note 13 Loans and expected credit loss (ECL) allowances by industry

SEK m	Gross carrying amounts				ECL allowances				Net carrying amount
	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (credit impaired/ lifetime ECL)	Total	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (credit impaired/ lifetime ECL)	Total	Total
31 Mar 2023									
Banks	144 821	1 045	16	145 881	-5	-2	-3	-10	145 871
Finance and insurance	186 458	990	62	187 509	-318	-4	-8	-330	187 179
Wholesale and retail	83 647	2 444	173	86 264	-155	-122	-72	-349	85 915
Transportation	29 381	1 729	207	31 317	-44	-44	-37	-125	31 192
Shipping	50 988	2 381	118	53 487	-16	-15	-103	-133	53 354
Business and household services	187 562	7 323	1 323	196 208	-466	-205	-620	-1 291	194 916
Construction	14 697	776	384	15 857	-31	-24	-241	-296	15 561
Manufacturing	116 954	5 624	1 507	124 086	-148	-188	-1 133	-1 470	122 616
Agriculture, forestry and fishing	31 713	1 085	131	32 929	-29	-9	-31	-69	32 860
Mining, oil and gas extraction	5 060	2 072	614	7 745	-5	-219	-564	-788	6 957
Electricity, gas and water supply	92 732	1 197	9	93 938	-45	-46	-5	-96	93 842
Other	24 756	1 944	57	26 757	-45	-198	-14	-256	26 501
Corporates	823 949	27 563	4 586	856 098	-1 302	-1 073	-2 829	-5 204	850 893
Commercial real estate management	185 329	2 248	106	187 682	-332	-46	-32	-411	187 271
Residential real estate management	133 813	2 899	28	136 741	-122	-45	-3	-170	136 571
Real Estate Management	319 141	5 147	134	324 423	-454	-91	-35	-581	323 842
Housing co-operative associations	61 646	5 042	22	66 709	-2	0	0	-2	66 707
Public Administration	21 288	336	0	21 624	-3	-1	0	-4	21 620
Household mortgages	610 259	23 879	750	634 889	-108	-205	-184	-497	634 392
Other	41 453	3 226	874	45 553	-277	-261	-514	-1 052	44 501
Households	651 713	27 105	1 625	680 442	-386	-466	-698	-1 549	678 893
TOTAL	2 022 558	66 237	6 383	2 095 178	-2 152	-1 634	-3 565	-7 351	2 087 828
31 Dec 2022									
Banks	136 927	1 228	24	138 178	-8	-3	-5	-15	138 163
Finance and insurance	174 176	2 014	99	176 290	-310	-33	-8	-351	175 939
Wholesale and retail	82 032	2 401	188	84 622	-160	-86	-74	-320	84 301
Transportation	30 099	833	257	31 189	-50	-36	-37	-122	31 067
Shipping	52 884	3 877	1 191	57 951	-21	-23	-1 139	-1 182	56 769
Business and household services	177 323	9 609	1 326	188 258	-387	-350	-610	-1 348	186 910
Construction	13 720	721	389	14 830	-31	-20	-209	-259	14 571
Manufacturing	122 266	7 035	1 421	130 723	-182	-150	-992	-1 323	129 400
Agriculture, forestry and fishing	31 440	1 235	108	32 783	-28	-11	-30	-69	32 714
Mining, oil and gas extraction	6 020	1 367	12	7 398	-6	-125	-4	-135	7 263
Electricity, gas and water supply	80 639	1 067	32	81 739	-41	-49	-28	-118	81 621
Other	26 978	1 242	51	28 270	-45	-23	-14	-81	28 189
Corporates	797 578	31 400	5 074	834 052	-1 261	-906	-3 143	-5 309	828 743
Commercial real estate management	182 026	2 205	129	184 361	-360	-46	-36	-442	183 919
Residential real estate management	131 796	2 253	29	134 078	-116	-39	-3	-158	133 920
Real Estate Management	313 822	4 458	159	318 439	-476	-85	-39	-600	317 838
Housing co-operative associations	62 250	5 702	2	67 955	-2	0	0	-3	67 952
Public Administration	19 122	282	5	19 408	-2	-1	-2	-6	19 403
Household mortgages	611 346	22 647	671	634 663	-113	-195	-191	-500	634 163
Other	41 059	3 656	912	45 626	-340	-312	-531	-1 184	44 443
Households	652 404	26 303	1 582	680 289	-453	-508	-723	-1 683	678 606
TOTAL	1 982 103	69 372	6 846	2 058 321	-2 202	-1 503	-3 911	-7 616	2 050 705

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 14 Capital adequacy analysis

SEK m	31 Mar 2023	31 Dec 2022
Available own funds and total risk exposure amount		
Common Equity Tier 1 (CET1) capital	166 144	162 956
Tier 1 capital	180 615	177 517
Total capital	196 362	193 025
Total risk exposure amount (TREA)	866 914	859 320
Capital ratios and minimum capital requirement (as a percentage of TREA)		
Common Equity Tier 1 ratio (%)	19.2%	19.0%
Tier 1 ratio (%)	20.8%	20.7%
Total capital ratio (%)	22.7%	22.5%
Pillar 1 minimum capital requirement (% P1)	8.0%	8.0%
Pillar 1 minimum capital requirement (amounts)	69 353	68 746
Additional own funds requirements (P2R) to address risks other than the risk of excessive leverage (as a percentage of TREA)		
Additional own funds requirements (% P2R)	2.0%	2.0%
of which: to be made up of CET1 capital (percentage points)	1.4%	1.4%
of which: to be made up of Tier 1 capital (percentage points)	1.6%	1.6%
Total SREP own funds requirements (% P1+P2R)	10.0%	10.0%
Total SREP own funds requirements (amounts)	86 904	86 142
Additional CET1 buffer requirements and CET1 Pillar 2 Guidance (as a percentage of TREA)		
Capital conservation buffer (%)	2.5%	2.5%
Institution specific countercyclical capital buffer (%)	0.9%	0.8%
Systemic risk buffer (%)	3.1%	3.1%
Other Systemically Important Institution buffer (%)	1.0%	1.0%
Combined buffer requirement (% CBR)	7.5%	7.4%
Combined buffer requirement (amounts)	64 975	63 391
Overall capital requirements (% P1+P2R+CBR)	17.5%	17.4%
Overall capital requirements (amounts)	151 879	149 533
CET1 available after meeting the total SREP own funds requirements (% P1+P2R)	12.6%	12.4%
Pillar 2 Guidance (% P2G)	1.0%	1.0%
Pillar 2 Guidance (amounts)	8 669	8 593
Overall capital requirements and P2G (%)	18.5%	18.4%
Overall capital requirements and P2G (amounts)	160 548	158 127
Leverage ratio, requirements and CET1 Pillar 2 Guidance (as a percentage of total exposure measure)		
Tier 1 capital (amounts)	180 615	177 517
Leverage ratio total exposure measure (amounts)	3 860 124	3 539 598
Leverage ratio (%)	4.7%	5.0%
Total SREP leverage ratio requirements (%)	3.0%	3.0%
Overall leverage ratio requirements (%)	3.0%	3.0%
Overall leverage ratio requirements (amounts)	115 804	106 188
Pillar 2 Guidance (% P2G)	0.5%	0.5%
Pillar 2 Guidance (amounts)	17 371	15 928
Overall leverage ratio requirements and P2G (%)	3.5%	3.5%
Overall leverage ratio requirements and P2G (amounts)	133 174	122 116

Note 15 Own funds

SEK m	31 Mar 2023	31 Dec 2022
Shareholders equity according to balance sheet ¹⁾	213 099	204 523
Accrued dividend	-18 737	-14 266
Reversal of holdings of own CET1 instruments	5 805	4 248
Common Equity Tier 1 capital before regulatory adjustments	200 167	194 506
Additional value adjustments	-1 627	-1 331
Goodwill	-4 259	-4 308
Intangible assets	-843	-1 236
Deferred tax assets that rely on future profitability	-17	-17
Fair value reserves related to gains or losses on cash flow hedges	-53	-62
Insufficient coverage for non-performing exposures	-129	-24
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-719	-1 060
Defined-benefit pension fund assets	-18 089	-17 712
Direct and indirect holdings of own CET1 instruments	-8 288	-5 799
Total regulatory adjustments to Common Equity Tier 1	-34 023	-31 550
Common Equity Tier 1 capital	166 144	162 956
Additional Tier 1 instruments	14 471	14 561
Tier 1 capital	180 615	177 517
Tier 2 instruments	15 206	15 002
Net provisioning amount for IRB-reported exposures	1 741	1 706
Holdings of Tier 2 instruments in financial sector entities	-1 200	-1 200
Tier 2 capital	15 747	15 508
Total own funds	196 362	193 025

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.

Note 16 Risk exposure amount

SEK m	31 Mar 2023		31 Dec 2022	
	Risk exposure amount	Own funds requirement ¹⁾	Risk exposure amount	Own funds requirement ¹⁾
Credit risk IRB approach				
Exposures to central governments or central banks	19 002	1 520	18 304	1 464
Exposures to institutions	60 603	4 848	66 245	5 300
Exposures to corporates	413 502	33 080	407 153	32 572
Retail exposures	68 008	5 441	67 811	5 425
of which secured by immovable property	45 608	3 649	44 643	3 571
of which retail SME	5 645	452	6 044	484
of which other retail exposures	16 755	1 340	17 124	1 370
Securitisation positions	2 239	179	2 036	163
Total IRB approach	563 353	45 068	561 550	44 924
Credit risk standardised approach				
Exposures to central governments or central banks	6 051	484	6 640	531
Exposures to institutions	716	57	962	77
Exposures to corporates	7 171	574	6 933	555
Retail exposures	15 068	1 205	14 521	1 162
Exposures secured by mortgages on immovable property	2 454	196	2 486	199
Exposures in default	117	9	122	10
Exposures associated with particularly high risk	566	45	515	41
Exposures in the form of collective investment undertakings (CIU)	996	80	1 628	130
Equity exposures	4 952	396	5 540	443
Other items	11 699	936	9 851	788
Total standardised approach	49 790	3 983	49 197	3 936
Market risk				
Trading book exposures where internal models are applied	39 823	3 186	39 876	3 190
Trading book exposures applying standardised approaches	10 829	866	7 251	580
Foreign exchange rate risk				
Total market risk	50 652	4 052	47 128	3 770
Other own funds requirements				
Operational risk advanced measurement approach	50 391	4 031	50 452	4 036
Settlement risk	6	0	0	0
Credit value adjustment	10 170	814	12 309	985
Investment in insurance business	24 127	1 930	23 851	1 908
Other exposures	3 460	277	2 991	239
Additional risk exposure amount, Article 3 CRR ²⁾	3 789	303		
Additional risk exposure amount, Article 458 CRR ³⁾	111 176	8 894	111 841	8 947
Total other own funds requirements	203 119	16 250	201 444	16 116
Total	866 914	69 353	859 320	68 746

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 3, Regulation (EU) No 575/2013 (CRR), related to the ongoing implementation of new Baltic retail PD models.

3) 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 collateralised by immovable property.

Note 17 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)		
Average risk-weight	31 Mar 2023	31 Dec 2022
Exposures to central governments or central banks	2.4%	2.8%
Exposures to institutions	22.7%	24.9%
Exposures to corporates	27.3%	27.3%
Retail exposures	9.3%	9.3%
of which secured by immovable property	6.9%	6.8%
of which retail SME	51.0%	51.0%
of which other retail exposures	28.0%	28.0%
Securitisation positions	16.3%	16.9%

Skandinaviska Enskilda Banken AB (publ) – parent company

Income statement

In accordance with FSA regulations	Q1			Q4			Jan–Mar			Full year
SEK m	2023	2022	%	2023	2022	%	2023	2022	%	2022
Interest income	24 821	20 392	22	24 821	7 013		24 821	7 013		48 883
Leasing income	1 395	1 375	1	1 395	1 318	6	1 395	1 318	6	5 309
Interest expense	-17 205	-13 438	28	-17 205	-1 725		-17 205	-1 725		-23 994
Dividends	3 100	496		3 100	3 232	-4	3 100	3 232	-4	10 447
Fee and commission income	4 381	4 139	6	4 381	4 353	1	4 381	4 353	1	16 925
Fee and commission expense	-1 211	-924	31	-1 211	-1 171	3	-1 211	-1 171	3	-4 042
Net financial income ¹⁾	2 038	2 764	-26	2 038	2 098	-3	2 038	2 098	-3	7 510
Other income ¹⁾	508	417	22	508	152		508	152		867
Total operating income	17 827	15 222	17	17 827	15 270	17	17 827	15 270	17	61 904
Administrative expenses	-5 144	-4 599	12	-5 144	-4 426	16	-5 144	-4 426	16	-18 380
Depreciation, amortisation and impairment of tangible and intangible assets	-1 387	-1 409	-2	-1 387	-1 423	-2	-1 387	-1 423	-2	-5 635
Total operating expenses	-6 532	-6 008	9	-6 532	-5 849	12	-6 532	-5 849	12	-24 015
Profit before credit losses	11 295	9 214	23	11 295	9 421	20	11 295	9 421	20	37 890
Net expected credit losses	-235	-640	-63	-235	-550	-57	-235	-550	-57	-2 119
Impairment of financial assets ²⁾					-240	-100		-240	-100	-6 631
Operating profit	11 060	8 574	29	11 060	8 631	28	11 060	8 631	28	29 139
Appropriations	487	2 048	-76	487	543	-10	487	543	-10	3 300
Income tax expense	-1 690	-1 662	2	-1 690	-1 121	51	-1 690	-1 121	51	-4 929
Other taxes	-3	-259	-99	-3			-3			-180
NET PROFIT	9 854	8 701	13	9 854	8 052	22	9 854	8 052	22	27 329

1) From 2023 the parent bank presents realised gains and losses on investment shares as Net financial income and not Net other income. Comparative figures have been restated SEK 199m; 897m; 1,615m.

2) The Russian Federation has limited different transactions between subsidiaries in Russia with parent companies in so called unfriendly countries. A maximum of RUB 10m per calendar month may be transferred abroad. Due to the prevailing uncertainty, the parent company recognised a total impairment loss of SEK 177m for SEB Bank in Russia in the first quarter 2022 and an additional impairment loss of SEK 652m in the third quarter 2022. In addition, during the first quarter 2022, the parent company recognised and impairment loss of SEK 63m for the investment in SEB Corporate Bank in Ukraine. During the second quarter 2022 the parent company recognised an impairment loss of SEK 5,224m for the investment in the subsidiary DSK Hyp AG. In addition, during the third quarter 2022 the subsidiary Skandinaviska Enskilda Ltd, which is being liquidated, was written down by SEK 51.5m.

Statement of comprehensive income

	Q1			Q4			Jan–Mar			Full year
SEK m	2023	2022	%	2023	2022	%	2023	2022	%	2022
NET PROFIT	9 854	8 701	13	9 854	8 052	22	9 854	8 052	22	27 329
Cash flow hedges	-9	-2		-9	30		-9	30		81
Translation of foreign operations	76	47	61	76	47	61	76	47	61	-112
Items that may subsequently be reclassified to the income statement:	66	45	47	66	77	-14	66	77	-14	-31
OTHER COMPREHENSIVE INCOME	66	45	47	66	77	-14	66	77	-14	-31
TOTAL COMPREHENSIVE INCOME	9 920	8 746	13	9 920	8 129	22	9 920	8 129	22	27 298

Balance sheet, condensed

SEK m	31 Mar 2023	31 Dec 2022
Cash and cash balances with central banks	387 368	354 970
Loans to central banks	40 955	16 676
Loans to credit institutions	135 945	101 928
Loans to the public	1 845 343	1 839 188
Debt securities	403 964	227 323
Equity instruments	49 366	44 645
Derivatives	150 139	179 144
Other assets	133 447	108 812
TOTAL ASSETS	3 146 527	2 872 686
Deposits from central banks and credit institutions	182 156	106 019
Deposits and borrowings from the public ¹⁾	1 573 097	1 467 319
Debt securities issued	902 554	795 149
Short positions	46 683	44 635
Derivatives	178 782	229 933
Other financial liabilities	215	172
Other liabilities	91 720	66 645
Untaxed reserves	15 680	15 680
Equity	155 639	147 133
TOTAL LIABILITIES, UNTAXED RESERVES AND EQUITY	3 146 527	2 872 686
1) Private and SME deposits covered by deposit guarantee	253 169	257 639
Private and SME deposits not covered by deposit guarantee	156 368	161 495
All other deposits	1 119 952	1 048 185
Total deposits from the public	1 529 489	1 467 319

Pledged assets and obligations

SEK m	31 Mar 2023	31 Dec 2022
Pledged assets for own liabilities	712 562	585 547
Other pledged assets	132 033	62 565
Pledged assets	844 595	648 113
Contingent liabilities	180 157	173 316
Commitments	842 879	815 987
Obligations	1 023 036	989 303

Capital adequacy

Capital adequacy analysis

SEK m	31 Mar 2023	31 Dec 2022
Available own funds and total risk exposure amount		
Common Equity Tier 1 (CET1) capital	140 292	136 851
Tier 1 capital	154 763	151 413
Total capital	170 284	166 708
Total risk exposure amount (TREA)	778 790	778 243
Capital ratios and minimum capital requirement (as a percentage of TREA)		
Common Equity Tier 1 ratio (%)	18.0%	17.6%
Tier 1 ratio (%)	19.9%	19.5%
Total capital ratio (%)	21.9%	21.4%
Pillar 1 minimum capital requirement (% P1)	8.0%	8.0%
Pillar 1 minimum capital requirement (amounts)	62 303	62 259
Additional own funds requirements (P2R) to address risks other than the risk of excessive leverage (as a percentage of TREA)		
Additional own funds requirements (% P2R)	1.7%	1.7%
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)	1.3%	1.3%
Total SREP own funds requirements (% P1+P2R)	9.7%	9.7%
Total SREP own funds requirements (amounts)	75 830	75 777
Additional CET1 buffer requirements and CET1 Pillar 2 Guidance (as a percentage of TREA)		
Capital conservation buffer (%)	2.5%	2.5%
Institution specific countercyclical capital buffer (%)	1.0%	0.8%
Systemic risk buffer (%)		
Other Systemically Important Institution buffer (%)		
Combined buffer requirement (% CBR)	3.5%	3.3%
Combined buffer requirement (amounts)	26 989	25 727
Overall capital requirements (% P1+P2R+CBR)	13.2%	13.0%
Overall capital requirements (amounts)	102 819	101 504
CET1 available after meeting the total SREP own funds requirements (% P1+P2R)	12.1%	11.7%
Pillar 2 Guidance (% P2G)		
Pillar 2 Guidance (amounts)		
Overall capital requirements and P2G (%)	13.2%	13.0%
Overall capital requirements and P2G (amounts)	102 819	101 504
Leverage ratio, requirements and CET1 Pillar 2 Guidance (as a percentage of total exposure measure)		
Tier 1 capital (amounts)	154 763	151 413
Leverage ratio total exposure measure (amounts)	3 601 301	3 263 128
Leverage ratio (%)	4.3%	4.6%
Total SREP leverage ratio requirements (%)	3.0%	3.0%
Overall leverage ratio requirements (%)	3.0%	3.0%
Overall leverage ratio requirements (amounts)	108 039	97 894
Pillar 2 Guidance (% P2G)		
Pillar 2 Guidance (amounts)		
Overall leverage ratio requirements and P2G (%)	3.0%	3.0%
Overall leverage ratio requirements and P2G (amounts)	108 039	97 894

Own funds

SEK m	31 Mar 2023	31 Dec 2022
Shareholders equity according to balance sheet ¹⁾	168 089	159 583
Accrued dividend	-18 737	-14 266
Reversal of holdings of own CET1 instruments	5 525	4 249
Common Equity Tier 1 capital before regulatory adjustments	154 877	149 566
Additional value adjustments	-1 276	-1 289
Goodwill	-3 358	-3 358
Intangible assets	-771	-1 132
Fair value reserves related to gains or losses on cash flow hedges	-53	-62
Insufficient coverage for non-performing exposures	-127	-23
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-711	-1 050
Direct and indirect holdings of own CET1 instruments	-8 288	-5 799
Total regulatory adjustments to Common Equity Tier 1	-14 585	-12 715
Common Equity Tier 1 capital	140 292	136 851
Additional Tier 1 instruments	14 471	14 561
Tier 1 capital	154 763	151 413
Tier 2 instruments	15 206	15 002
Net provisioning amount for IRB-reported exposures	1 515	1 494
Holdings of Tier 2 instruments in financial sector entities	-1 200	-1 200
Tier 2 capital	15 521	15 295
Total own funds	170 284	166 708

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

Risk exposure amount

SEK m	31 Mar 2023		31 Dec 2022	
	Risk exposure amount	Own funds requirement ¹⁾	Risk exposure amount	Own funds requirement ¹⁾
Credit risk IRB approach				
Exposures to central governments or central banks	10 853	868	9 987	799
Exposures to institutions	60 045	4 804	65 707	5 257
Exposures to corporates	339 057	27 125	334 983	26 799
Retail exposures	44 827	3 586	44 316	3 545
of which secured by immovable property	35 668	2 853	35 015	2 801
of which retail SME	2 081	167	2 046	164
of which other retail exposures	7 077	566	7 256	580
Securitisation positions	2 239	179	2 036	163
Total IRB approach	457 020	36 562	457 029	36 562
Credit risk standardised approach				
Exposures to central governments or central banks				
Exposures to institutions	12 473	998	14 168	1 133
Exposures to corporates	5 245	420	5 048	404
Retail exposures	8 278	662	8 285	663
Exposures secured by mortgages on immovable property	2 452	196	2 484	199
Exposures in default	97	8	98	8
Exposures associated with particularly high risk	566	45	515	41
Exposures in the form of collective investment undertakings (CIU)	996	80	1 628	130
Equity exposures	51 258	4 101	51 432	4 115
Other items	4 850	388	3 022	242
Total standardised approach	86 215	6 897	86 680	6 934
Market risk				
Trading book exposures where internal models are applied	39 823	3 186	39 876	3 190
Trading book exposures applying standardised approaches	10 779	862	7 226	578
Foreign exchange rate risk				
Total market risk	50 602	4 048	47 103	3 768
Other own funds requirements				
Operational risk advanced measurement approach	38 618	3 089	38 923	3 114
Settlement risk	6	0	0	0
Credit value adjustment	10 159	813	12 304	984
Investment in insurance business	24 127	1 930	23 851	1 908
Other exposures	875	70	519	42
Additional risk exposure amount, Article 458 CRR ²⁾	111 168	8 893	111 833	8 947
Total other own funds requirements	184 953	14 796	187 432	14 995
Total	778 790	62 303	778 243	62 259

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 collateralised by immovable property.

Average risk weight

IRB reported credit exposures (less repos and securities lending)	31 Mar 2023	31 Dec 2022
Average risk-weight		
Exposures to central governments or central banks	1.6%	1.9%
Exposures to institutions	22.6%	24.9%
Exposures to corporates	24.5%	24.5%
Retail exposures	7.5%	7.4%
of which secured by immovable property	6.2%	6.1%
of which retail SME	34.2%	33.5%
of which other retail exposures	41.0%	40.8%
Securitisation positions	16.3%	16.9%

Restated comparative figures

Effects from the implementation of IFRS 17 Insurance Contracts

IFRS 17 *Insurance Contracts* replaces IFRS 4 *Insurance Contracts* for annual periods beginning on or after 1 January 2023. As the standard requires comparative information for the annual reporting period immediately preceding the date of initial application, the transition date of IFRS 17 is 1 January 2022. On adoption, IFRS 17 impacted the measurement of insurance contracts and participating investment contracts.

The group has restated comparative information for 2022 in the reports for 2023. The effects of adopting IFRS 17 was recognised 1 January 2022 as a reduction of retained

earnings of SEK 0.3bn. The changes have reduced net profit by SEK 112m for the full year 2022 and had a marginal effect on capital adequacy. The changes impact division Life and the group. The new standard is not applied by the parent company.

There is no significant impact on the balance sheet, although the new standard also introduces new estimates and judgements that affect the measurement of insurance liabilities.

See note 1 and note 51 in the *Annual and Sustainability Report 2022* for more information about accounting policies and transition effects from the implementation of IFRS 17.

SEB Group reconciliation to previously published figures – income statement

SEK m	Previously reported	Change	Restated	Previously reported	Change	Restated
	Q1 2022		Q1 2022	Jan–Mar 2022		Jan–Mar 2022
Net interest income	7 062		7 062	7 062		7 062
Net fee and commission income	5 398	- 17	5 381	5 398	- 17	5 381
Net financial income	2 334	- 13	2 321	2 334	- 13	2 321
Net other income	- 25		- 25	- 25		- 25
Total operating income	14 768	- 29	14 739	14 768	- 29	14 739
Staff costs	- 3 762		- 3 762	- 3 762		- 3 762
Other expenses	- 1 543		- 1 543	- 1 543		- 1 543
Depreciation, amortisation and impairment of tangible and intangible assets	- 488		- 488	- 488		- 488
Total operating expenses	- 5 793		- 5 793	- 5 793		- 5 793
Profit before credit losses and imposed levies	8 974	- 29	8 945	8 974	- 29	8 945
Net expected credit losses	- 535		- 535	- 535		- 535
Imposed levies: Risk tax and resolution fees	- 582		- 582	- 582		- 582
Operating profit before items affecting comparability	7 857	- 29	7 828	7 857	- 29	7 828
Items affecting comparability						
Operating profit	7 857	- 29	7 828	7 857	- 29	7 828
Income tax expense	- 1 454	0	- 1 454	- 1 454	0	- 1 454
NET PROFIT	6 403	- 29	6 374	6 403	- 29	6 374
Attributable to shareholders of Skandinaviska Enskilda Banken AB	6 403	- 29	6 374	6 403	- 29	6 374
Basic earnings per share, SEK	2.98		2.96	2.98		2.96
Diluted earnings per share, SEK	2.96		2.94	2.96		2.94

SEB Group reconciliation to previously published figures - balance sheet

SEK m	Previously reported	Change	Restated
	31 Mar 2022		31 Mar 2022
Cash and cash balances at central banks	632 337		632 337
Loans to central banks	9 734		9 734
Loans to credit institutions	74 885		74 885
Loans to the public	1 931 410		1 931 410
Debt securities	337 982	-145	337 837
Equity instruments	112 920	2 322	115 242
Financial assets for which the customers bear the investment risk	384 460	-2 177	382 283
Derivatives	156 313		156 313
Other assets	126 158	-42	126 116
TOTAL ASSETS	3 766 200	-42	3 766 158
Deposits from central banks and credit institutions	168 524		168 524
Deposits and borrowings from the public	1 854 211		1 854 211
Financial liabilities for which the customers bear the investment risk	386 625	-2 275	384 350
Liabilities to policyholders	33 243	2 464	35 707
Debt securities issued	778 593		778 593
Short positions	56 982		56 982
Derivatives	163 486		163 486
Other financial liabilities	6 728		6 728
Other liabilities	131 278	76	131 354
Total liabilities	3 579 670	265	3 579 935
Equity	186 530	-307	186 222
TOTAL LIABILITIES AND EQUITY	3 766 200	-42	3 766 158

Signature of the President

The President declares that this financial report for the period 1 January 2023 through 31 March 2023 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, 26 April 2023

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 interim report for Skandinaviska Enskilda Banken AB (publ) as at March 31, 2023 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 interim 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, 26 April 2023

Ernst & Young AB

Hamish Mabon
Authorised Public Accountant

Contacts and calendar

SEB's result for the first quarter 2023

Telephone conference

On Wednesday 26 April 2023, 10 am, CET, Johan Torgeby, SEB's President & CEO, and Masih Yazdi, CFO, will present the results for the first quarter 2023. The presentation will be followed by a Q&A session with Johan Torgeby, Masih Yazdi and Pawel Wyszynski, Head of Investor Relations. The presentation and Q&A will be conducted in English.

To participate in the telephone conference, please call in at least 10 minutes in advance on +44 1 212818004 or +46 8 50510030.

The event can be followed live on 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 to make a request.

Further information is available from:

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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.

Financial information calendar 2023

18 July 2023

Quarterly report January-June 2023

The silent period starts on 1 July 2023

25 October 2023

Quarterly report January-September 2023

The silent period starts on 1 October 2023

The financial information calendar for 2024 will be published in conjunction with the Quarterly Report for January-September 2023.

Definitions

Including Alternative Performance Measures¹⁾

Items affecting comparability

To facilitate the comparison of operating profit between current and previous periods, items with significant impact that management considers affect the comparability or are relevant for the understanding of the financial result, are identified and presented separately, for example impairment of goodwill, restructuring, gains and losses from divestments and other income or costs that are not recurring.

Operating profit

Total profit before tax.

Net profit

Total profit after tax.

Return on equity

Net profit attributable to shareholders in relation to average²⁾ shareholders' equity.

Return on equity excluding items affecting comparability

Net profit attributable to shareholders, excluding items affecting comparability and their related tax effect, in relation to average²⁾ shareholders' equity.

Return on business equity

Operating profit by division, reduced by a standard tax rate, in relation to the divisions' average²⁾ business equity (allocated capital).

Return on total assets

Net profit attributable to shareholders, in relation to average²⁾ total assets.

Return on risk exposure amount

Net profit attributable to shareholders in relation to average²⁾ 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 average³⁾ number of shares outstanding before dilution.

Diluted earnings per share

Net profit attributable to shareholders in relation to the weighted average³⁾ diluted number of shares. The calculated dilution is based on the estimated economic value of the long-term equity-based programmes.

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.

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)

The excel file Alternative Performance Measures, available on 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, 292,000 SME and 1.5 million private full-service customers bank with SEB.

Our values

We are guided by our Code of Conduct and the SEB behaviours: create value, act long-term and build positive relationships.

Our employees

Around 17,000 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 almost 170 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.