

Quarterly report

Stockholm 16 July 2024

Second quarter 2024 | January - June 2024



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



CEO comment

The geopolitical uncertainty persisted during the second quarter and the political landscape remained unpredictable. Despite this, economies and markets stayed broadly resilient.

Improving inflation prospects in Europe paved the way for rate cuts from the European Central Bank and Sweden's Riksbank during the quarter, while tight US monetary policy will likely limit the room for manoeuvring going forward. In an environment with falling interest rates, Sweden and other interest-rate sensitive economies are expected to gain greater momentum.

Falling inflation is a prerequisite for a recovery in the global economy and creates possibilities for Sweden's strong public finances to support GDP growth, the sustainability transition, innovation, and business. There are signs of the economic activity picking up, with the Swedish Purchasing Managers' Index improving in the second quarter. With households' real wages gradually recovering, the stronger purchasing power will further add to the growth momentum. However, the economic recovery is still at an early stage.

Improving business momentum

Following the interest rate cuts during the quarter, net interest income decreased while we saw improved momentum in other parts of the business. For instance, we saw positive net flows in asset management across the divisions – where our strategic focus in the Private Wealth Management & Family Office division in particular showed solid results – as well as an increase in investment banking activity and signs of improving credit demand.

In addition, we see positive momentum in our cash management business and were once again awarded a large Nordic mandate. Deposit flows were positive, both in the household and corporate segment. The flow to higher-yielding accounts receded in the Baltics. Swedish household mortgage margins remained at historically low levels in a competitive market.

Net profit remained stable compared with the previous quarter. Asset quality remained robust, and the net expected credit losses amounted to 1 basis point. Our cost target for the full year is unchanged. Return on equity remained strong at 17.6 per cent and our capital buffer was solid at 430 basis points.

During the second quarter of 2024, SEB repurchased shares for capital management purposes for a total amount of SEK 2bn. The Board of Directors decided on 15 July on a new quarterly share buyback programme of SEK 2.5bn until 22 October, meaning we continue the progress toward our capital target – to be within 100–300 basis points above the regulatory requirement toward the end of 2024.

Executing on our strategy to future-proof our business

During the first half of 2024, we made progress within the four focus areas that make up our 2030 Strategy.

In line with our focus on *acceleration of efforts*, green and sustainability-linked bank guarantees were added to our financing offering, to support companies in fulfilling their sustainability strategies. We also expanded our offering within carbon removal certificates.

I am pleased that SEB earned the top position within foreign exchange in Norway and maintained it in Sweden, according to leading market surveys. This serves as a testament to our long-term and collaborative approach to meet our clients' needs. We will continue our efforts to maintain momentum in this competitive and global market.

In terms of *strategic change*, we have digitalised our retail banking services further. The roll out of a new technological platform for the Baltic mobile applications, enabling faster time to market for new functionalities, marked an important step toward an improved digital banking experience.

We strengthened our *strategic partnerships* within sustainability, providing our real estate customers access to market leading energy efficiency consultancy, thus supporting our customers in their energy transition.

In line with our efforts for *efficiency improvement*, we are continuing our dedicated efforts and investments within AI, automation and data. Through inhouse capabilities, we have laid the groundwork for implementation throughout the bank with several initiatives in the pipeline. During the second quarter, we transitioned from prototype stage to applied business use with AI search tools for our customer service operations in the Corporate & Private Customers division, positively impacting the customer experience.

Within fraud prevention, we strengthened the safeguards for private customers by launching several optional security add-ons. These include the possibility to add a delay period as well as double signing of payments and transfers. We continue to collaborate closely with banks, the Police and other authorities in the fight against organised crime and fraud.

Creating value through our employees

I am proud of my colleagues, who every day serve our customers and work to develop the bank for the future. Our strong focus on internal mobility and on enabling our employees to develop gives us the ability to retain expertise as well as upholding a solid corporate memory. This allows us to create value, act long-term and build positive relationships.



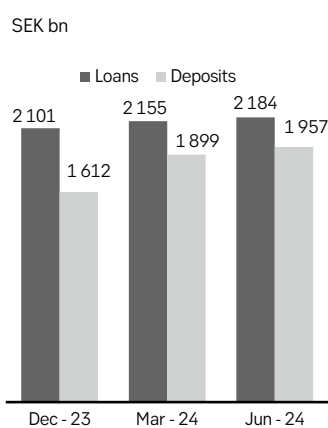
Johan Torgeby
President and CEO

Second quarter 2024

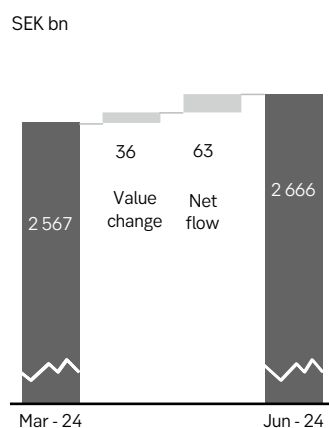
- Improved business momentum, including positive net flows in asset management across divisions, an increase in investment banking activity and signs of improving credit demand.
- Return on equity remained strong at 17.6 per cent, our capital buffer was solid at 430 basis points above the regulatory requirement and the asset quality remained robust.
- We continue the progress toward our capital target, to be within 100-300 basis points above the regulatory requirement towards the end of 2024, with a decision on an increased quarterly share buyback programme of SEK 2.5bn.

SEK m	Q2		Q1		Q2		Jan-Jun			Full-year
	2024	2024	%	2023	%	2024	2023	%	2023	
Total operating income	20 312	20 682	-2	20 019	1	40 994	39 078	5	80 193	
Total operating expenses	7 383	7 160	3	6 948	6	14 542	13 414	8	27 449	
Net expected credit losses	44	73	-40	43	2	117	315	-63	962	
Imposed levies	1 046	1 133	-8	934	12	2 179	1 636	33	3 819	
Operating profit	11 840	12 316	-4	12 093	-2	24 156	23 714	2	47 963	
NET PROFIT	9 416	9 503	-1	9 768	-4	18 919	19 161	-1	38 116	
Return on equity, %	17.6	17.2		18.8		17.3	18.4		17.9	
Basic earnings per share, SEK	4.58	4.60		4.65		9.18	9.10		18.20	

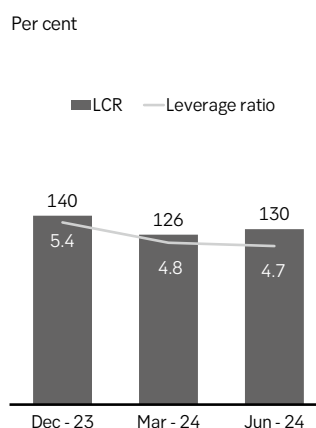
Loans to and deposits from the public



Assets under management



Liquidity coverage and leverage ratios



CET1 capital ratio and return on equity

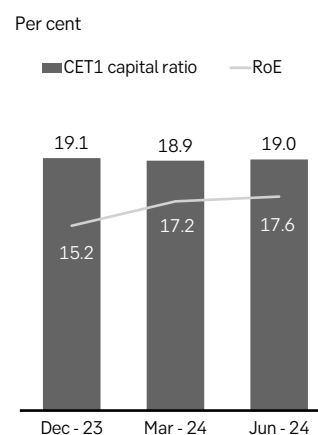


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SEB Group

Income statement on a quarterly basis, condensed

SEK m	Q2	Q1	Q4	Q3	Q2
	2024	2024	2023	2023	2023
Net interest income	11 611	11 765	12 100	12 248	11 881
Net fee and commission income	5 936	5 625	5 542	5 320	5 637
Net financial income	2 747	3 249	2 386	2 594	2 609
Net other income	17	44	109	817	-108
Total operating income	20 312	20 682	20 136	20 979	20 019
Staff costs	4 846	4 795	4 443	4 551	4 330
Other expenses	2 033	1 863	2 153	1 863	2 127
Depreciation, amortisation and impairment of tangible and intangible assets	503	501	535	491	491
Total operating expenses	7 383	7 160	7 130	6 905	6 948
Profit before credit losses and imposed levies	12 929	13 522	13 006	14 073	13 070
Net expected credit losses	44	73	664	-17	43
Imposed levies	1 046	1 133	1 075	1 108	934
Operating profit	11 840	12 316	11 267	12 983	12 093
Income tax expense	2 424	2 813	2 894	2 401	2 326
NET PROFIT	9 416	9 503	8 373	10 581	9 768
Attributable to shareholders of Skandinaviska Enskilda Banken AB	9 416	9 503	8 373	10 581	9 768
Basic earnings per share, SEK	4.58	4.60	4.03	5.07	4.65
Diluted earnings per share, SEK	4.54	4.56	4.00	5.03	4.62

Key figures

	Q2	Q1	Q2	Jan-Jun		Full year
	2024	2024	2023	2024	2023	2023
Return on equity, %	17.6	17.2	18.8	17.3	18.4	17.9
Return on total assets, %	0.9	1.0	1.0	0.9	1.0	0.9
Return on risk exposure amount, %	4.1	4.2	4.5	4.1	4.4	4.3
Cost/income ratio	0.36	0.35	0.35	0.35	0.34	0.34
Basic earnings per share, SEK	4.58	4.60	4.65	9.18	9.10	18.20
Weighted average number of shares, millions ¹⁾	2 055	2 068	2 100	2 061	2 105	2 094
Diluted earnings per share, SEK	4.54	4.56	4.62	9.09	9.04	18.06
Weighted average number of diluted shares, millions ²⁾	2 076	2 085	2 114	2 081	2 120	2 110
Net worth per share, SEK	113.74	108.99	107.06	113.74	107.60	113.83
Equity per share, SEK	106.12	101.46	99.97	106.12	99.97	106.99
Average shareholders' equity, SEK bn	213.7	221.3	207.7	218.7	208.0	212.7
Number of outstanding shares, millions ¹⁾	2 051	2 059	2 094	2 051	2 094	2 073
Net ECL level, %	0.01	0.01	0.01	0.01	0.02	0.03
Stage 3 Loans / Total Loans, gross, %	0.33	0.35	0.28	0.33	0.28	0.37
Stage 3 Loans / Total Loans, net, %	0.18	0.18	0.13	0.18	0.13	0.20
Liquidity Coverage Ratio (LCR), % ³⁾	130	126	129	130	129	140
Net Stable Funding Ratio (NSFR), % ⁴⁾	112	110	112	112	112	112
<u>Own funds requirement, Basel III</u>						
Risk exposure amount, SEK m	920 279	926 500	884 934	920 279	884 934	891 992
Expressed as own funds requirement, SEK m	73 622	74 120	70 795	73 622	70 795	71 359
Common Equity Tier 1 capital ratio, %	19.0	18.9	19.3	19.0	19.3	19.1
Tier 1 capital ratio, %	20.6	20.5	21.0	20.6	21.0	20.7
Total capital ratio, %	22.8	22.8	22.8	22.8	22.8	22.4
Leverage ratio, %	4.7	4.8	4.5	4.7	4.5	5.4
Number of full time equivalents ⁵⁾	17 810	17 595	17 428	17 637	17 067	17 288
Assets under custody, SEK bn	22 684	21 928	19 290	22 684	19 290	20 167
Assets under management, SEK bn	2 666	2 567	2 271	2 666	2 271	2 361

¹⁾ At 30 June 2024 the number of issued shares amounted to 2,099,836,305 and SEB held 48,997,440 own Class A shares with a market value of SEK 7,668m. The number of outstanding shares amounted to 2,050,838,865. At year-end 2023 the number of issued shares was 2,139,983,495 and SEB owned 67,135,764 Class A shares. During 2024 SEB has purchased 4,574,839 shares for the long-term equity-based programmes and 5,979,349 shares were sold/distributed. During 2024 SEB has purchased 23,413,376 shares for capital purposes and 40,147,190 shares held for capital purposes were cancelled.

²⁾ Weighted average diluted number of shares, adjusted for the dilution effect of potential shares in the long-term equity-based programmes.

³⁾ In accordance with the EU delegated act.

⁴⁾ In accordance with CRR2.

⁵⁾ Quarterly numbers are for end of quarter. Accumulated numbers are average for the period.

The second quarter

Operating profit decreased by 4 per cent compared with the first quarter 2024, to SEK 11,840m (12,316). Year-on-year, operating profit decreased by 2 per cent. *Net profit* amounted to SEK 9,416m (9,503).

Operating income

Total operating income decreased by 2 per cent compared with the first quarter 2024 and amounted to SEK 20,312m (20,682). Compared with the second quarter 2023, total operating income increased by 1 per cent.

Net interest income decreased by 1 per cent compared with the first quarter, to SEK 11,611m (11,765). Net interest income was affected positively by a currency effect amounting to SEK 85m in the second quarter. Year-on-year, net interest income decreased by 2 per cent.

*Net interest income breakdown*¹⁾

SEK m	Q2	Q1	Q2
	2024	2024	2023
Loans to the public	24 717	24 332	20 822
Deposits from the public	-15 832	-15 518	-12 320
Other, including funding and liquidity	2 726	2 951	3 379
Net interest income	11 611	11 765	11 881

Interest income from loans to the public increased by SEK 385m compared with the previous quarter primarily due to higher average lending volumes.

Interest expense on deposits from the public increased by SEK 314m in the second quarter mainly from higher corporate deposit volumes. Deposit guarantee fees amounted to SEK 112m (111).

Other net interest income decreased by SEK 225m, partly due to negative effects from lending to other customer categories than those included in loans to the public, such as central banks and credit institutions.

Net fee and commission income increased by 6 per cent in the second quarter to SEK 5,936m (5,625). Year-on-year, net fee and commission income increased by 5 per cent.

With improved equity markets, the average assets under management were higher than the previous quarter. Gross fee income from custody and mutual funds, excluding performance fees, increased by SEK 180m to SEK 2,694m (2,514). Performance fees decreased by SEK 43m and amounted to SEK 42m (85).

Gross fee income from issuance of securities and advisory services increased to SEK 392m (347). Investment Banking observed increased activity during the quarter, partly seasonally driven. Gross secondary market and derivatives income increased to SEK 534m (440). Mainly secondary equities markets contributed to the increase.

Gross lending fees increased by 9 per cent to SEK 1,042m (956), mainly related to short-term bridge facilities.

Net payment and card fees increased to SEK 1,266m (1,199). Card-related fees increased in both Sweden and the Baltic countries.

Net life insurance commissions, related to the unit-linked insurance business, decreased to SEK 257m (280).

Net financial income decreased by 15 per cent to SEK 2,747m in the second quarter (3,249). Year-on-year, net financial income increased by 5 per cent. Net financial income from the divisions remained stable and amounted to SEK 2,479m (2,438).

There were negative valuation effects in the treasury portfolios.

The fair value adjustments on derivative positions²⁾ amounted to SEK -74m, SEK 124m lower than in the first quarter.

The change in market value of certain strategic holdings amounted to SEK -155m in the second quarter, a negative change of SEK 439m compared with the first quarter.

Net financial income from the Life division decreased in the second quarter to SEK 341m (367), mainly from lower income on insurance contracts.

Net other income amounted to SEK 17m (44). Unrealised valuation and hedge accounting effects are included in this line item.

Operating expenses

Total operating expenses increased by 3 per cent and amounted to SEK 7,383m (7,160). Year-on-year, total operating expenses increased by 6 per cent.

Staff costs increased by 1 per cent during the second quarter. The number of full-time equivalents increased to 17,810 (17,595) which increased staff costs. Social charges for long-term incentive programmes decreased, while salary revisions in the Baltic countries came into effect during the quarter affecting staff costs negatively.

Other expenses increased by 9 per cent, mainly due to higher IT costs and marketing. Supervisory fees amounted to SEK 68m (45).

The cost target which is unchanged is outlined on p. 14.

¹⁾ The table specifies interest income from loans to the public and interest expense from deposits from the public, and other, without adjustments for internal transfer pricing.

²⁾ Includes unrealised valuation adjustments from counterparty risk (CVA), own credit risk standing in derivatives (DVA), funding (FVA) and collateral (ColVa). Own credit risk for issued securities (OCA) is reflected in Other comprehensive income.

Net expected credit losses

Net expected credit losses amounted to SEK 44m (73), corresponding to a net expected credit loss level of 1 basis point (1). New provisions were offset by reversal of provisions, release of portfolio model overlays and updated macroeconomic scenarios. The overall asset quality of the credit portfolio remained robust, however, and negative risk migration slowed.

For more information on credit risk, asset quality, net expected credit losses and the portfolio model overlays, see p. 11 and notes 5, 10, 11 and 12.

Imposed levies

Imposed levies amounted to SEK 1,046m (1,133).

The risk tax on credit institutions in Sweden amounted to SEK 396m (396). The resolution fund fees, mainly related to the parent company, amounted to SEK 308m (349). The first quarter outcome was based on estimates and was updated by actual levels in the second quarter. The Lithuanian solidarity contribution decreased to SEK 279m in the second quarter (330). The outcome is calculated based on net interest income of the past few quarters. Lithuania decided to prolong the temporary solidarity contribution for the 2025 tax year. The temporary Latvian mortgage levy amounted to SEK 59m in the second quarter (58). See note 6.

Income tax expense

Income tax expense amounted to SEK 2,424m (2,813) with an effective tax rate of 20.5 per cent (22.8). The decrease in the effective tax rate is mainly explained by tax on dividends from SEB Pank in Estonia to the parent company paid in the first quarter.

Return on equity

Return on equity for the second quarter amounted to 17.6 per cent (17.2).

Other comprehensive income

Other comprehensive income amounted to SEK 1,095m (4,040).

The value of SEB's pension plan assets continued to exceed the defined benefit obligations to the employees. Asset values improved during the quarter, while the discount rate used for the Swedish pension obligation was changed to 3.25 per cent (3.5). Therefore, the net value of the defined benefit pension plans contributed with SEK 1,365m (3,347) to other comprehensive income. 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 -274m (701).

Comparative numbers

(in parenthesis throughout the report)

Unless otherwise stated:

- the result for the reporting quarter is compared with the prior quarter,
- the result for the first six months is compared with the first six months of the prior year, and
- business volumes are compared with the prior quarter.

The first six months

Operating profit increased by 2 per cent compared with the first six months 2023, to SEK 24,156m (23,714). *Net profit* amounted to SEK 18,919m (19,161).

Operating income

Total operating income increased by 5 per cent compared with the first six months 2023 and amounted to SEK 40,994m (39,078).

Net interest income increased by 1 per cent compared with the first six months 2023, to SEK 23,376m (23,177). Net interest income was affected positively by a currency effect amounting to SEK 33m in the first six months.

*Net interest income breakdown*¹

SEK m	Jan-Jun		Change
	2024	2023	%
Loans to the public	49 048	38 507	27
Deposits from the public	-31 350	-22 169	41
Other, including funding and liquidity	5 677	6 839	-17
Net interest income	23 376	23 177	1

Interest income from loans to the public increased by SEK 10,541m during the first six months due to the higher interest rate environment.

Interest expense on deposits from the public increased by SEK 9,181m in the first six months also due to the higher interest rate environment. The deposit guarantee fees amounted to SEK 223m (227).

Other interest income decreased by SEK 1,162m mainly due to higher interest expense on issued securities.

Net fee and commission income increased by 7 per cent in the first six months to SEK 11,561m (10,807).

With improved equity markets, the average assets under management were higher than the previous period. Gross fee income from custody and mutual funds, excluding performance fees, increased by SEK 531m to SEK 5,208m (4,677). Performance fees increased to SEK 127m (82).

Gross fee income from issuance of securities and advisory services amounted to SEK 740m (638). Increased activity was observed within Investment Banking during the period. Gross secondary market and derivatives income decreased to SEK 974m (1,158).

Gross lending fees increased by 8 per cent to SEK 1,997m (1,857).

Net payment and card fees increased by SEK 94m to SEK 2,464m (2,370) compared with the first six months 2023. Customers were more active in both payments and cards.

Net life insurance commissions, related to the unit-linked insurance business, increased by SEK 58m to SEK 537m (479), due to higher average assets under management.

Net financial income increased by 20 per cent to SEK 5,996m compared with the first six months 2023 (5,012). With advantageous markets, fixed income activity was elevated year-on-year. In the Large Corporates & Financial Institutions division, the fixed income-related activity contribution to net financial income was significant. In comparison to the first six months 2023, there were negative valuation effects in the Treasury portfolios, in part due to more positive effects in 2023.

The fair value adjustments on derivative positions²⁾ amounted to SEK -25m, a decrease of SEK 177m compared with the first six months 2023.

The change in market value of certain strategic holdings amounted to SEK 129m in the first six months, a negative change of SEK 69m compared with the first six months 2023.

Net other income amounted to SEK 61m (82). Unrealised valuation and hedge accounting effects are included in this line item.

Operating expenses

Total operating expenses increased by 8 per cent and amounted to SEK 14,542m (13,414).

Staff costs increased by 13 per cent during the first six months, mainly due to the increased number of full-time equivalents but also because costs and social charges for long-term incentive programmes increased with the higher SEB share price.

Supervisory fees amounted to SEK 114m (98).

Net expected credit losses

Net expected credit losses amounted to SEK 117m (315), corresponding to a net expected credit loss level of 1 basis point (2). New provisions were offset by reversal of provisions, release of portfolio model overlays and updated macroeconomic scenarios. The overall asset quality of the credit portfolio remained robust, and negative risk migration slowed.

For more information on credit risk, asset quality, net expected credit losses and the portfolio model overlays, see p. 11 and notes 5, 10, 11 and 12.

Imposed levies

Imposed levies amounted to SEK 2,179m (1,636). The main reason for the increase is that the temporary solidarity contribution which was implemented in Lithuania in May 2023 was fully reflected in 2024. See note 6.

¹⁾ The table specifies interest income from loans to the public and interest expense from deposits from the public, and other, without adjustments for internal transfer pricing.

²⁾ Includes unrealised valuation adjustments from counterparty risk (CVA), own credit risk standing in derivatives (DVA), funding (FVA) and collateral (ColVa). Own credit risk for issued securities (OCA) is reflected in Other comprehensive income.

Income tax expense

Income tax expense amounted to SEK 5,237m (4,553) with an effective tax rate of 21.7 per cent (19.2). The increase in the effective tax rate is mainly explained by increased tax expense in Estonia and Latvia due to higher dividends paid and a new tax surcharge in Latvia.

Return on equity

Return on equity for the first six months amounted to 17.3 per cent (18.4).

Other comprehensive income

Other comprehensive income amounted to SEK 5,135m (2,936).

The net value of the defined benefit pension plans contributed with SEK 4,713m (2,052) to other comprehensive income.

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 426m (892).

Business volumes

Total assets as of 30 June 2024 amounted to SEK 4,152bn, representing an increase of SEK 22bn from the end of the first quarter and an increase of SEK 544bn from the end of the fourth quarter 2023 (3,608).

Loans

	30 Jun	31 Mar	31 Dec
SEK bn	2024	2024	2023
General governments	21	21	21
Financial corporations	117	112	113
Non-financial corporations	1 043	1 054	1 016
Households	724	722	722
Collateral margin	41	32	67
Reverse repos	239	214	163
Loans to the public	2 184	2 155	2 101

Loans to the public increased by SEK 29bn in the second quarter, to SEK 2,184bn (2,155), with negative quarter-on-quarter currency effects amounting to SEK 36bn.

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

	30 Jun	31 Mar	31 Dec
SEK bn	2024	2024	2023
General governments	55	49	25
Financial corporations	646	605	396
Non-financial corporations	766	752	704
Households	454	445	441
Collateral margin	34	37	33
Repos	2	11	13
Deposits and borrowings from the public	1 957	1 899	1 612

Deposits and borrowings from the public increased by SEK 58bn in the second quarter, to SEK 1,957bn (1,899), with a negative currency effect of SEK 40bn. Deposits from financial corporations increased by SEK 41bn, non-financial corporations' deposits increased by SEK 14bn, and household deposits increased by SEK 9bn.

Debt securities

Debt securities increased by SEK 31bn to SEK 360bn in the second quarter (329). The securities are short-term in nature, have high credit worthiness and are recognised at market value.

Assets under management and custody

Total *assets under management* increased to SEK 2,666bn (2,567). With the continued strong financial markets, the market value increased by SEK 36bn during the quarter (201). The net flow of assets under management amounted to SEK 63bn (5), mainly driven by large net inflows in the Private Wealth Management & Family Office division.

Assets under custody increased to SEK 22,684bn, mainly due to higher asset values (21,928).

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 2023 (see page 51-58 and notes 40 and 41), in the Capital Adequacy and Risk Management Report for 2023 as well as the quarterly additional Pillar 3 disclosures. Further information is available in SEB's Fact Book that is published quarterly.

Credit risk and asset quality

	30 Jun	31 Mar	31 Dec
SEK bn	2024	2024	2023
Banks	128	134	114
Corporates	1 708	1 739	1 675
Commercial real estate management	217	221	216
Residential real estate management	144	147	148
Housing co-operative associations Sweden	63	65	66
Public administration	57	61	65
Household mortgage	686	680	670
Household other	85	87	85
Total credit portfolio	3 088	3 133	3 040

SEB's credit portfolio, which includes loans, contingent liabilities and derivatives, decreased by SEK 45bn in the second quarter to SEK 3,088bn (3,133), driven mainly by a stronger Swedish krona. The corporate segment decreased by SEK 31bn mainly due to currency effects. The real estate portfolios, including housing co-operative associations, decreased by SEK 9bn. The household mortgage credit portfolio increased by SEK 6bn as mortgage commitments increased.

Credit-impaired loans (gross loans in Stage 3) amounted to SEK 7.0bn (7.3), corresponding to 0.33 per cent of total loans (0.35). Credit-impaired exposures (gross exposures in Stage 3) amounted to SEK 10.0bn (10.1). Stage 2 exposures increased in the household mortgage and corporate portfolios mainly due to an update in the Stage 2 framework while asset quality remained broadly stable.

Notes 10-12 provide a more detailed breakdown of SEB's loan portfolio by industry and asset quality as well as corresponding ECL allowances.

Market risk

Average VaR in the trading book (as used for capital adequacy measurement under the Internal Model Approach) decreased during the second quarter and amounted to SEK 126m (163). 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 maintains a strong and diversified liquidity and funding position with good market access. The loan-to-deposit ratio, excluding repos and collateral margin, amounted to 99 per cent per 30 June 2024 (103).

New issuance of long-term funding during the quarter amounted to SEK 38bn. A EUR 750m senior preferred bond was issued and the remainder of SEK 29bn was in the form of covered bonds. SEK 21bn of long-term funding matured during the quarter of which SEK 11bn in covered bonds and SEK 10bn in senior preferred bonds. Outstanding short-term funding in the form of commercial paper and certificates of deposit decreased by SEK 65bn in the second quarter.

Weighted High Quality Liquid Assets, defined according to the liquidity coverage ratio (LCR) requirements, increased to SEK 1,175bn at 30 June 2024 (1,099). The LCR was 130 per cent (126). 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 30 June 2024, SEB's NSFR was 112 per cent (110).

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 June 2024.

Moody's rates SEB's long-term senior unsecured debt at Aa3 reflecting the bank's strong asset quality and solid capitalisation, which is expected to demonstrate continued resilience despite the challenges in the real estate sector in Sweden and the economic downturn. In March 2024, Moody's affirmed SEB's rating and changed the outlook from stable to positive.

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 June 2023.

Risk exposure amount

The total risk exposure amount (REA) decreased by SEK 6bn to SEK 920bn during the second quarter.

SEK bn	
Balance 31 Mar 2024	926
Underlying credit risk change	-5
-whereof asset size	3
-whereof asset quality	-2
-whereof foreign exchange movements	-5
Underlying market risk change	-3
-whereof CVA risk	-2
Underlying operational risk change	0
Model updates, methodology & policy, other	2
-whereof credit risk	2
Balance 30 Jun 2024	920

Underlying credit risk REA decreased by SEK 5bn mainly due to foreign exchange movements and a model update increased credit risk REA by SEK 2bn. Market risk REA decreased by SEK 3bn, mainly due to lower CVA risk, while operational risk REA was stable.

Capital position

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

Own funds requirement, Basel III	30 Jun	31 Mar	31 Dec
	2024	2024	2023
Risk exposure amount, SEK bn	920	926	892
Common Equity Tier 1 capital ratio, %	19.0	18.9	19.1
Tier 1 capital ratio, %	20.6	20.5	20.7
Total capital ratio, %	22.8	22.8	22.4
Leverage ratio, %	4.7	4.8	5.4

SEB's Common Equity Tier 1 (CET1) capital ratio increased to 19.0 per cent (18.9) during the second quarter. Continued strong net income generation enabled stable CET1 capital during the quarter despite a SEK 5bn deduction for a new permission from the Swedish FSA to buy back own shares.

REA decreased by SEK 6bn mainly driven by lower credit risk REA due to a stronger Swedish krona.

SEB's ninth share buyback programme of SEK 2bn was completed on 12 July 2024 and the Board of Directors resolved to initiate a new programme to start 17 July 2024. The new programme amounts to SEK 2.5bn and is to be completed, at the latest, by 22 October 2024.

SEB's applicable CET1 capital requirement and Pillar 2 guidance (P2G) per the end of the second quarter was 14.7 per cent (14.7). 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 amounts to approximately 430 basis points (420).

The EU Parliament has adopted new capital requirements legislation (Basel IV) to be implemented in the union starting 1 January 2025. The day 1 impact of Basel IV on SEB's capital buffer is assessed to be around minus 50 basis points. The combined impact of Basel IV under the risk-based requirements and EBA's IRB repair programme on SEB's capital buffer is assessed to be around neutral.

SEB's leverage ratio was 4.7 per cent at the end of the quarter (4.8), whereas the leverage ratio requirement and P2G was 3.5 per cent (3.5). The decrease in the leverage ratio mainly stems from a higher leverage exposure amount.

The Swedish FSA has informed SEB of its preliminary 2024 SREP (supervisory review and evaluation process) decision. According to the preliminary decision, SEB's CET1 capital requirement and P2G as well as SEB's leverage ratio requirement and P2G would both be unchanged compared with the current levels. Swedish FSA will make its final decision effective as of 30 September 2024.

Business development

(First half of 2024)

In January 2022, SEB communicated its 2030 Strategy and three-year business plan for 2022-2024. Every second quarter we follow up on the progress and important milestones related to strategic initiatives within the four focus areas of our 2030 Strategy: Acceleration of efforts, Strategic change, Strategic partnerships and Efficiency improvements.

Acceleration of efforts

Sustainability continues to be at the core of our ambitions and our daily operations. One example is that, mandated by the circular energy company Hafslund Celsio, we will offer sale of carbon removal certificates for the capture and storage of carbon dioxide from the company's waste-to-energy facility in Oslo, when these capabilities are operational. It is the first full-scale project of its kind. To help companies fulfil their sustainability strategies through their entire financing, green and sustainability-linked bank guarantees were added to our palette of sustainable financing.

Our targeted ambitions to put our green transition in numbers continued as we set a net-zero aligned 2030 target for the shipping sector, in line with our commitment to the Net-Zero Banking Alliance. This means the emission intensity in the bank's shipping portfolio is targeted to be reduced by 41 per cent by 2030, compared with the base year 2022. The seven sector targets now cover 77 per cent of SEB's latest reported financed emissions.

Our acceleration of efforts continues to be recognised by our customers. Thanks to a clear, systematic, long term and collaborative approach to our client's needs, SEB climbed to the first choice in Norway for foreign exchange, while maintaining the number one position in Sweden, according to the latest Prospera rankings. Within the sustainability field, we received the award as the number one advisor within sustainability in both Sweden, Denmark, Finland and the Nordics overall, according to Prospera. We were also awarded the number one sub-custodian in our home markets in the Nordics and the Baltics, by Global Finance Magazine.

Strategic change

In terms of strategic change, we continued to digitalise our retail banking services. The roll out of a new technological platform for the Baltic mobile applications, enabling faster time to market for new functionalities, marked an important step toward an improved digital banking experience.

Furthermore, a new micro investment solution was launched, enabling our Baltic private customers to make regular investments into exchange traded funds (ETFs) and build their own portfolios.

An updated everyday banking package, Enkla vardagen, and three new benefit levels for SEB's private customers were launched in Sweden, promoting customer loyalty and incentivising clients to gather their financial products with us. Our focus on rewarding customer loyalty is also seen in the introduction of tiered interest rates on savings accounts, Enkla sparkontot, as well as a green savings account.

New everyday banking packages were also launched in Estonia and Lithuania. By bundling products and services in service plans, tailored for different customer needs, we enhance the customer experience of our offering.

Strategic partnerships

We continued to collaborate and partner with external stakeholders and rethink how we produce, distribute and grow our products and services. SEB signed a letter of intent with Kivra, Sweden's largest platform for digital documents. The ambition is to create a shared digital ecosystem that will enable customers to control and manage their services and data in their channel of choice.

We strengthened our strategic partnerships within sustainability, granting our real estate customers beneficial access to market leading energy efficiency consulting, thus supporting their energy transition. We also increased our commitment to renewable energy through our investment in Copenhagen Energy Islands, whose large-scale, sea-based energy hubs can play an important role in the global strive to reach net zero by 2050.

SEB launched a Baltic Venture Debt offering. The purpose is to support rapidly growing companies that have potential to play a positive role in the development of the Baltic societies.

Efficiency improvement

In line with our efforts for *efficiency improvement*, we are continuing our dedicated efforts and investments within AI and data. Through inhouse capabilities, we have laid the groundwork for implementation throughout the bank with several initiatives in the pipeline. We transitioned from prototype stage to applied business use with AI search tools for our customer service operations in the Corporate & Private Customers division, positively impacting the customer experience.

In the Baltics, we utilised the rapid development of AI models to improve the protection of our customers from fraud. This includes an anti-fraud prevention system that is built on machine learning to detect and prevent fraudulent transactions in real time.

Related to fraud prevention in Sweden, we continued to strengthen the safeguards for private customers by launching several new optional security add-ons. The services include the possibility to add a delay period as well as double signing of payments and transfers. SEB is also continuing to collaborate closely with other banks, the Police and other authorities in the fight against organised crime and fraud.

Since February, it is possible to digitally sign promissory notes for down payment loans by using BankID through the mobile app or internet bank. With the digital signature, lead time can be shortened by several days, compared with mailing the documents, providing a better customer experience.

Other information

The group's long-term financial targets

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 2024 we will develop our business by further investing in the savings area and in our technological infrastructure. The cost target for 2024 is below or equal to SEK 29bn, assuming average 2023 foreign exchange rates and not including AirPlus. With average foreign exchange rates so far during 2024, the implied cost target was unchanged at SEK 29bn.

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.

Net Zero Banking Alliance – sector targets for financed emissions. SEB has committed to align the credit portfolio with

1.5 degrees Celsius pathways to net zero by 2050 or sooner and has set 2030 reduction targets for relevant sectors. In the second quarter the shipping sector was added to these targets.

For detailed information see 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 for 2024 are:

	Return on business equity	Cost/income ratio
Large Corporates & Financial Institutions	>13%	<0,50
Corporate & Private Customers	>16%	<0,40
Private Wealth Management & Family Office	>25%	<0,50
Baltic	>20%	<0,35
Life	>30%	<0,45
Asset Management	>40%	<0,40

Impact from exchange rate fluctuations

The currency effect increased operating profit for the second quarter by SEK 112m. Loans to the public decreased by SEK 36bn and deposits from the public decreased by SEK 40bn. Total REA decreased by SEK 6bn and the decrease of total assets was SEK 77bn.

Share buyback programmes

Since 2021, SEB has completed nine share buyback programmes and a total of 119 million shares have been repurchased.

	Number of repurchased shares	Average purchase price (SEK per share)	Purchase amount (SEK m)
October 2021 - March 2022	20 055 133	124.66	2 500
March 2022 - October 2022	23 375 979	106.95	2 500
October 2022 - December 2022	10 508 310	118.95	1 250
January 2023 - April 2023	10 249 921	121.95	1 250
April 2023 - July 2023	10 660 063	117.26	1 250
July 2023 - October 2023	9 746 391	128.25	1 250
October 2023 - December 2023	9 739 700	128.34	1 250
January 2024 - March 2024	11 478 937	152.45	1 750
March 2024 - July 2024	13 329 653	150.04	2 000
Total	119 144 087	125.90	15 000

Business segments

Income statement by segment

	Large Corporates & Financial Institutions	Corporate & Private Customers	Private Wealth Mgmt & Family Office	Baltic	Life	Asset Management	Group Functions	Eliminations	SEB Group
Jan-Jun 2024, SEK m									
Net interest income	9 516	9 928	1 397	5 297	- 105	39	-2 550	- 147	23 376
Net fee and commission income	3 901	2 747	839	991	1 306	1 604	162	11	11 561
Net financial income	3 489	258	46	398	707	19	931	148	5 996
Net other income	135	14	2	6	23	0	-118	-3	61
Total operating income	17 041	12 947	2 284	6 692	1 932	1 662	-1 575	9	40 994
Staff costs	2 474	1 711	462	884	417	311	3 384	-1	9 641
Other expenses	3 336	2 516	544	549	388	446	-3 894	11	3 896
Depreciation, amortisation and impairment of tangible and intangible assets	10	30	2	40	18	6	898		1 004
Total operating expenses	5 821	4 257	1 007	1 474	823	763	388	10	14 542
Profit before credit losses and imposed levies	11 221	8 690	1 277	5 218	1 109	899	-1 962	0	26 452
Net expected credit losses	235	123	-49	-188	0	0	-3	-2	117
Imposed levies	849	514	46	726			44	0	2 179
Operating profit	10 136	8 053	1 279	4 681	1 109	899	-2 003	2	24 156
Jan-Jun 2023, SEK m									
Net interest income	9 623	9 816	1 365	4 715	-81	47	-2 368	60	23 177
Net fee and commission income	3 754	2 512	713	967	1 243	1 459	151	8	10 807
Net financial income	2 796	262	53	351	493	33	1 139	-116	5 012
Net other income	16	7	6	9	10	0	38	-3	82
Total operating income	16 188	12 598	2 137	6 042	1 665	1 539	-1 039	-51	39 078
Staff costs	2 326	1 576	443	779	402	296	2 743	-1	8 565
Other expenses	3 093	2 328	497	516	373	401	-3 281	-50	3 875
Depreciation, amortisation and impairment of tangible and intangible assets	12	30	2	39	14	6	871		974
Total operating expenses	5 431	3 934	941	1 334	790	702	333	-51	13 414
Profit before credit losses and imposed levies	10 757	8 664	1 196	4 707	875	837	-1 372	0	25 665
Net expected credit losses	-132	403	4	42	0	0	-3	2	315
Imposed levies	808	614	51	226		0	-63	0	1 636
Operating profit	10 082	7 647	1 141	4 440	875	837	-1 306	-2	23 714

Large Corporates & Financial Institutions

- Operating profit amounted to SEK 5,086m and return on business equity was 19 per cent
- Large corporate customers' investment appetite increased but with a cautious approach
- Favourable markets drove activity and performance in fixed income and equities

Income statement

SEK m	Q2		Q1		Q2		Jan-Jun			Full-year
	2024	2024	%	2023	%	2024	2023	%	2023	
Net interest income	4 740	4 777	-1	4 896	-3	9 516	9 623	-1	19 334	
Net fee and commission income	2 023	1 878	8	1 952	4	3 901	3 754	4	7 325	
Net financial income	1 800	1 688	7	1 496	20	3 489	2 796	25	5 166	
Net other income	37	98	-62	-12		135	16		-34	
Total operating income	8 601	8 440	2	8 331	3	17 041	16 188	5	31 791	
Staff costs	1 230	1 244	-1	1 170	5	2 474	2 326	6	4 746	
Other expenses	1 687	1 649	2	1 541	9	3 336	3 093	8	6 280	
Depreciation, amortisation and impairment of tangible and intangible assets	6	4	39	6	3	10	12	-15	25	
Total operating expenses	2 923	2 897	1	2 717	8	5 821	5 431	7	11 050	
Profit before credit losses and imposed levies	5 678	5 543	2	5 615	1	11 221	10 757	4	20 740	
Net expected credit losses	166	70	137	-190		235	-132		382	
Imposed levies	426	423	1	415	3	849	808	5	1 556	
Operating profit	5 086	5 050	1	5 390	-6	10 136	10 082	1	18 803	
Cost/Income ratio	0.34	0.34		0.33		0.34	0.34		0.35	
Business equity, SEK bn	83.4	81.6		81.0		82.5	81.4		81.5	
Return on business equity, %	18.8	19.1		20.5		18.9	19.1		17.8	
FTEs, present ¹⁾	2 494	2 399		2 362		2 421	2 326		2 342	

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

Comments on the second quarter

The overall positive market sentiment during the quarter largely reflected markets' expectations that interest rates have peaked. This view was reinforced by the fact that central banks started cutting interest rates in the quarter.

Within the *large corporate* customer segment, the business sentiment led to continued focus on working capital optimisation. Clients' investment appetite increased, but with higher financial discipline. As doubts remain about macroeconomic recovery and expected rate cuts, customers are in a wait-and-see mode. Lending demand was stable with refinancing being the main driver of volumes. Trade finance activity continued the positive trend especially within the infrastructure segment. Demand for cash management-related services remained on similar levels as the previous quarter, and fixed term deposit volumes increased. A large Nordic cash management mandate was awarded. Activity levels within mergers & acquisitions and equity capital markets continued to increase for the second quarter in a row, albeit from low levels. Bond issuance activity remained on high levels, to a large extent driven by highly rated companies.

Within the *financial institutions* segment, FX activity remained stable in line with the trend in the previous quarter. Favourable market conditions, with stability in both equities and credit markets drove healthy activity specifically in fixed income,

including bonds and swaps. Investor demand remained solid, particularly for new issuances. Compared with previous quarters activity increased in the secondary equities market. Prime financing was in demand indicating clients' willingness to adjust and take on new risk positions.

Lending volumes decreased by SEK 9bn to SEK 759bn, while deposit volumes increased by SEK 40bn to SEK 822bn, relating to fixed term deposits. Assets under custody amounted to SEK 22,684bn (22,367), mainly as a consequence of increased asset values.

Operating profit amounted to SEK 5,086m. Net interest income decreased by 1 per cent. The fixed income activity affects both net interest income and net financial income – in this quarter with a negative net interest income effect. Net fee and commission income increased by 8 per cent through a combination of increased investment banking activity and seasonality. Net financial income increased by 7 per cent mainly due to the continued sound fixed income activity. Operating expenses increased by 1 per cent. Net expected credit losses increased to SEK 166m with a credit loss level of 4 basis points, reflecting a continued solid credit quality. See p. 8.

Corporate & Private Customers

- Operating profit amounted to SEK 3,904m and return on business equity was 25 per cent
- Positive trend in customers' net fund savings
- Mortgage commitment volumes increased as market sentiment gradually improved

Income statement

SEK m	Q2			Q1			Q2			Jan-Jun			Full-year
	2024	2024	%	2023	%	2024	2023	%	2024	2023	%	2023	
Net interest income	4 857	5 071	-4	4 904	-1	9 928	9 816	1	19 996				
Net fee and commission income	1 403	1 344	4	1 281	9	2 747	2 512	9	5 096				
Net financial income	131	128	2	133	-2	258	262	-2	515				
Net other income	6	9	-37	5	6	14	7	96	16				
Total operating income	6 396	6 552	-2	6 324	1	12 947	12 598	3	25 623				
Staff costs	852	859	-1	809	5	1 711	1 576	9	3 190				
Other expenses	1 272	1 245	2	1 185	7	2 516	2 328	8	4 796				
Depreciation, amortisation and impairment of tangible and intangible assets	15	15	1	15	1	30	30	-1	60				
Total operating expenses	2 139	2 118	1	2 009	6	4 257	3 934	8	8 046				
Profit before credit losses and imposed levies	4 257	4 433	-4	4 315	-1	8 690	8 664	0	17 577				
Net expected credit losses	96	28		248	-61	123	403	-69	604				
Imposed levies	257	257	0	314	-18	514	614	-16	1 036				
Operating profit	3 904	4 149	-6	3 753	4	8 053	7 647	5	15 937				
Cost/Income ratio	0.33	0.32		0.32		0.33	0.31		0.31				
Business equity, SEK bn	48.0	47.8		47.2		47.9	47.0		46.9				
Return on business equity, %	25.1	26.7		24.5		25.9	25.1		26.2				
FTEs, present ¹⁾	3 453	3 435		3 514		3 445	3 429		3 462				

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

Comments on the second quarter

Demand for financial products continued to be subdued in most areas. Competition remained high in both the private and corporate segments. The improved service offering continued to be appreciated with high customer satisfaction also in the second quarter. Business volumes increased modestly in the quarter and net interest margins were under pressure.

In the *private customer segment*, mortgage market growth remained subdued with a gradually increasing demand. Mortgage lending volumes increased to SEK 557bn (556) while SEB's mortgage market share decreased slightly. Mortgage commitment volumes increased. New lending margins remained at stable levels compared with previous quarter.

Household deposits increased by SEK 6bn to SEK 252bn (246). The share of term deposits was stable. The net interest margin on deposits was slightly down from the last quarter due to interest rate cuts and the implementation of tiered interest levels on private deposits.

The positive stock market performance during the quarter contributed to an increase in assets under management and there was a positive net flow of SEK 3bn.

Customers in the *corporate segment* were cautious, reflected in unchanged volumes of corporate and card-related lending of SEK 290bn (288). There was slight growth in lending to small and medium-sized corporates. Corporate deposits remained flat and amounted to SEK 181bn (181).

In total, lending volumes increased by SEK 2bn to SEK 864bn (862). Deposit volumes increased by SEK 6bn and amounted to SEK 433bn (427).

Operating profit amounted to SEK 3,904m. Net interest income decreased by 4 per cent, driven by lower deposit margins following the interest rate cut by the Swedish central bank and continued high competition. Net fee and commission income increased marginally, mainly due to higher fund-related base and card commissions. Total operating expenses increased by 1 per cent compared with the last quarter, partly driven by seasonal effects. Asset quality remained stable and net expected credit losses amounted to SEK 96m, with a net expected credit loss level of 4 basis points.

Private Wealth Management & Family Office

- Operating profit amounted to SEK 643m and return on business equity was 40 per cent
- Strong growth in assets under management, driven by strong equity markets and positive net flows
- Discretionary assets under management outperformed benchmarks

Income statement

SEK m	Q2		Q1		Q2		Jan-Jun			Full-year
	2024	2024	%	2023	%	2024	2023	%	2023	
Net interest income	694	703	-1	696	-0	1 397	1 365	2	2 797	
Net fee and commission income	430	409	5	356	21	839	713	18	1 457	
Net financial income	22	23	-4	21	6	46	53	-14	94	
Net other income	0	2	-83	4	-92	2	6	-62	8	
Total operating income	1 147	1 137	1	1 077	7	2 284	2 137	7	4 356	
Staff costs	233	229	2	225	4	462	443	4	884	
Other expenses	277	266	4	249	11	544	497	9	1 006	
Depreciation, amortisation and impairment of tangible and intangible assets	1	1	-1	1	-1	2	2	-2	4	
Total operating expenses	511	496	3	475	8	1 007	941	7	1 894	
Profit before credit losses and imposed levies	636	641	-1	602	6	1 277	1 196	7	2 462	
Net expected credit losses	-30	-19	63	-5		-49	4		-4	
Imposed levies	23	23	-0	26	-11	46	51	-9	90	
Operating profit	643	636	1	581	11	1 279	1 141	12	2 375	
Cost/Income ratio	0.45	0.44		0.44		0.44	0.44		0.43	
Business equity, SEK bn	4.9	5.0		4.1		5.0	3.9		4.1	
Return on business equity, %	40.3	39.0		43.5		39.7	44.5		44.5	
FTEs, present ¹⁾	524	501		512		507	499		502	

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

Comments on the second quarter

The second quarter was characterised by strong equity markets driving asset value growth and high customer demand for investment advisory within all client segments. The number of customers increased in all geographies.

Assets under management increased by 9 percent compared with the first quarter to SEK 1,386bn. Net flows were positive and amounted to SEK 58bn, where the strategic focus on the upper segments in the division showed solid results.

The positive stock market development explained the market value-related increase of SEK 63bn. 87 per cent of the discretionary assets under management outperformed their benchmarks.

Customer demand for financing was muted during the quarter, and lending volumes decreased by SEK 1bn to SEK 81bn. Deposit

volumes increased by SEK 5 bn to SEK 146bn, partly explained by dividend payouts.

Operating profit amounted to SEK 643m. Net interest income decreased slightly compared with the first quarter. Net fee and commission income increased compared with the first quarter mainly driven by increased asset values. Total operating expenses were up 3 per cent, primarily driven by premises and staff costs. Due to reversal of provisions and release of portfolio model overlays given lower macroeconomic uncertainty, net expected credit losses amounted to positive SEK 30m.

Baltic

- Operating profit amounted to SEK 2,454m and return on business equity was 44 per cent
- Slow economic recovery across the region
- Mortgage lending increased in all countries and positive signs in the Lithuanian corporate segment

Income statement

SEK m	Q2		Q1		Q2		Jan-Jun			Full-year
	2024	2024	%	2023	%	2024	2023	%	2023	
Net interest income	2 669	2 628	2	2 558	4	5 297	4 715	12	10 324	
Net fee and commission income	514	477	8	505	2	991	967	3	1 995	
Net financial income	194	204	-5	223	-13	398	351	13	600	
Net other income	4	3	30	6	-39	6	9	-27	11	
Total operating income	3 380	3 312	2	3 292	3	6 692	6 042	11	12 930	
Staff costs	469	415	13	413	14	884	779	13	1 612	
Other expenses	285	265	7	259	10	549	516	7	1 078	
Depreciation, amortisation and impairment of tangible and intangible assets	21	20	5	20	4	40	39	3	78	
Total operating expenses	774	700	11	692	12	1 474	1 334	10	2 768	
Profit before credit losses and imposed levies	2 606	2 612	-0	2 600	0	5 218	4 707	11	10 163	
Net expected credit losses	-185	-3		-9		-188	42		-7	
Imposed levies	338	388	-13	210	61	726	226		999	
Operating profit	2 454	2 228	10	2 399	2	4 681	4 440	5	9 171	
Cost/Income ratio	0.23	0.21		0.21		0.22	0.22		0.21	
Business equity, SEK bn	18.4	17.6		16.8		18.0	16.4		17.0	
Return on business equity, %	43.8	41.5		48.7		42.7	46.2		45.8	
FTEs, present ¹⁾	3 023	2 949		2 996		2 969	2 921		2 949	

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

Comments on the second quarter

Economic recovery continued slowly in the region with positive signs emerging in the Lithuanian manufacturing and retail sales sectors. In Estonia, however, economic conditions remained bleak.

Private consumption in Lithuania was driven by higher consumer confidence, and optimism regarding the economic outlook began to affect consumer sentiment positively in Latvia and Estonia.

The upturn in consumer sentiment was more visible in the household segment with healthy growth in mortgage lending in all countries, while lending to corporate customers also increased, most notably in Lithuania. Total lending volumes grew by 2 per cent in local currency and amounted to SEK 200bn (199).

Deposits from households grew across the region. Corporate deposit volumes decreased due to dividend payouts. As a result, total deposit volumes decreased by 2 per cent in local currency and amounted to SEK 251bn (259). The share of deposit volumes on savings and term deposit accounts remained unchanged at 28 per cent.

Operating profit amounted to SEK 2,454m. Net interest income decreased by 1 per cent in local currency, mainly due to lagging effects on the lending side while a positive effect from early loan redemptions was observed. Net fee and commission income increased by 6 per cent in local currency, partly due to a higher level of customer activity in card products. Net financial income decreased by 7 per cent in local currency following lower positive valuation effects from interest rate swaps and government bonds in the liquidity portfolio. Operating expenses increased by 8 per cent in local currency, driven mainly by the annual salary review reflecting the strong labour market and wider wage inflation prevalent in the region. The temporary solidarity contribution levy introduced by the Lithuanian government amounted to SEK 279m gross, while the temporary mortgage levy introduced by the Latvian government amounted to SEK 59m. Net expected credit losses amounted to positive SEK 185m, mainly due to reversal of provisions and release of portfolio model overlays given lower macroeconomic uncertainty in certain sectors. See p. 8.

Life

- Operating profit amounted to SEK 546m and return on business equity was 38 per cent
- Increased asset values driven by favourable development in the financial markets
- Continued positive sales volumes across the division

Income statement

SEK m	Q2		Q1		Q2		Jan-Jun			Full-year
	2024	2024	%	2023	%	2024	2023	%	2023	
Net interest income	-55	-50	11	-44	25	-105	-81	29	-165	
Net fee and commission income	660	646	2	605	9	1 306	1 243	5	2 513	
Net financial income	341	367	-7	252	35	707	493	43	1 282	
Net other income	18	5		6		23	10	141	-5	
Total operating income	964	968	-0	818	18	1 932	1 665	16	3 624	
Staff costs	209	208	0	207	1	417	402	4	806	
Other expenses	200	188	7	185	8	388	373	4	766	
Depreciation, amortisation and impairment of tangible and intangible assets	9	9	1	7	31	18	14	31	33	
Total operating expenses	418	405	3	399	5	823	790	4	1 604	
Profit before credit losses and imposed levies	546	563	-3	419	30	1 109	875	27	2 020	
Net expected credit losses	0	-0		0		-0	0		1	
Imposed levies										
Operating profit	546	563	-3	419	30	1 109	875	27	2 020	
Cost/Income ratio	0.43	0.42		0.49		0.43	0.47		0.44	
Business equity, SEK bn	5.4	5.4		5.3		5.4	5.4		5.4	
Return on business equity, %	37.9	38.8		29.2		38.4	30.4		35.1	
FTEs, present ¹⁾	888	899		917		895	903		908	

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

Comments on the second quarter

Continued positive sales volumes across the division coupled with strong financial markets and high asset values marked a stable result in the second quarter.

The Swedish market for life insurance and pension products grew steadily, with a market growth of 6 per cent measured in new sales¹⁾. Even though the bank maintained its position among the top-three market participants in terms of new sales volumes, SEB's share of the Swedish life insurance market decreased compared with the previous quarter.

Sales of unit-linked products improved by 13 per cent including positive development in both occupational pension and endowment products. The inflow of portfolio bond product volumes was less favourable compared with the first quarter.

The Baltic business continued a favourable trend with increased sales, by 15 per cent, both within the local pension fund product as well as sales of risk insurance products.

Total assets under management amounted to SEK 536bn, an increase of 2 per cent compared with the previous quarter (526).

The increase in asset values was largely driven by the strong development of the financial markets, whereas net flows were marginally negative during the period. Unit-linked assets amounted to SEK 440bn (431), traditional and risk insurance products amounted to SEK 34bn (34) and other savings products to SEK 62bn (61).

Operating profit amounted to SEK 546m. Net fee and commission income increased by 2 per cent, mainly connected to increased underlying asset values in the unit-linked and portfolio bond business. Net financial income decreased by 7 per cent, predominantly driven by falling interest rate levels in the period affecting income from insurance contracts and income from own portfolios adversely. Operating expenses increased by 3 per cent, mainly attributed to seasonality.

¹⁾ Rolling four quarters

Asset Management

- Operating profit amounted to SEK 419m and return on business equity was 53 per cent
- Client interest in technology and AI funds increased
- Growth in assets under management, driven by strong equity markets and positive net flows

Income statement

SEK m	Q2		Q1		Q2		Jan-Jun			Full-year
	2024	2024	%	2023	%	2024	2023	%	2023	
Net interest income	11	29	-62	27	-60	39	47	-16	126	
Net fee and commission income	803	801	0	700	15	1 604	1 459	10	2 949	
Net financial income	-9	28		17		19	33	-44	15	
Net other income	-0	0				-0	0		3	
Total operating income	804	858	-6	744	8	1 662	1 539	8	3 093	
Staff costs	158	153	3	151	5	311	296	5	609	
Other expenses	224	222	1	198	13	446	401	11	803	
Depreciation, amortisation and impairment of tangible and intangible assets	3	3	0	3	-1	6	6	-1	11	
Total operating expenses	385	378	2	351	10	763	702	9	1 423	
Profit before credit losses and imposed levies	419	480	-13	393	7	899	837	7	1 670	
Net expected credit losses	-0	-0		0		-0	0		0	
Imposed levies				0			0		0	
Operating profit	419	480	-13	393	7	899	837	7	1 669	
Cost/Income ratio	0.48	0.44		0.47		0.46	0.46		0.46	
Business equity, SEK bn	2.5	2.4		2.5		2.5	2.5		2.5	
Return on business equity, %	52.7	61.9		48.2		57.2	51.7		52.0	
FTEs, present ¹⁾	282	272		277		275	272		274	

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

Comments on the second quarter

During the second quarter, the global economy was resilient with modest growth and declining inflation supporting the financial stabilisation. The market conditions favoured especially equity investments leading to increased assets under management.

In total, assets under management increased by SEK 18bn to SEK 1,221bn (1,203) mainly driven by increased market values. Net flows amounted to SEK 6bn.

In *SEB Investment Management*, assets under management in SEB-labelled mutual funds increased by SEK 21bn to SEK 853bn (832). Net flows were SEK 4bn and market values increased by SEK 17bn, mainly driven by equities. SEB-labelled mutual funds classified as Article 8 and 9¹⁾ in the Sustainable Finance Disclosure Regulation (SFDR), amounted to SEK 826bn (805). SEK 803bn was classified as Article 8 and SEK 23bn was classified as Article 9.

Within *Institutional Asset Management*, the wholesale distribution of funds showed robust performance, driven by client interest in technology and artificial intelligence funds which had both good performance and inflows. Institutional clients showed a preference for mixed mandates while the outflows from fixed income mandates continued.

Operating profit amounted to SEK 419m. Base commissions increased by SEK 45m driven by the positive financial markets which increased assets under management. Performance fees

decreased by SEK 43m and amounted to SEK 42m (85).

Operating expenses increased by 2 per cent, mainly driven by staff and consultancy 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	Q2			Q1			Q2			Jan-Jun			Full-year
		2024	2024	%	2023	%	2024	2023	%	2024	2023	%	2023	
Net interest income	2	11 611	11 765	-1	11 881	-2	23 376	23 177	1	47 526				
Net fee and commission income	3	5 936	5 625	6	5 637	5	11 561	10 807	7	21 669				
Net financial income	4	2 747	3 249	-15	2 609	5	5 996	5 012	20	9 991				
Net other income		17	44	-61	-108		61	82	-26	1 008				
Total operating income		20 312	20 682	-2	20 019	1	40 994	39 078	5	80 193				
Staff costs		4 846	4 795	1	4 330	12	9 641	8 565	13	17 558				
Other expenses		2 033	1 863	9	2 127	-4	3 896	3 875	1	7 892				
Depreciation, amortisation and impairment of tangible and intangible assets		503	501	0	491	2	1 004	974	3	1 999				
Total operating expenses		7 383	7 160	3	6 948	6	14 542	13 414	8	27 449				
Profit before credit losses and imposed levies		12 929	13 522	-4	13 070	-1	26 452	25 665	3	52 744				
Net expected credit losses	5	44	73	-40	43	2	117	315	-63	962				
Imposed levies	6	1 046	1 133	-8	934	12	2 179	1 636	33	3 819				
Operating profit		11 840	12 316	-4	12 093	-2	24 156	23 714	2	47 963				
Income tax expense		2 424	2 813	-14	2 326	4	5 237	4 553	15	9 848				
NET PROFIT		9 416	9 503	-1	9 768	-4	18 919	19 161	-1	38 116				
Attributable to shareholders of Skandinaviska Enskilda Banken AB		9 416	9 503	-1	9 768	-4	18 919	19 161	-1	38 116				
Basic earnings per share, SEK		4.58	4.60		4.65		9.18	9.10		18.20				
Diluted earnings per share, SEK		4.54	4.56		4.62		9.09	9.04		18.06				

Statement of comprehensive income

SEK m	Q2			Q1			Q2			Jan-Jun			Full-year
	2024	2024	%	2023	%	2024	2023	%	2024	2023	%	2023	
NET PROFIT	9 416	9 503	-1	9 768	-4	18 919	19 161	-1	38 116				
Cash flow hedges	-3	-18	-82	-10	-66	-21	-19	12	-49				
Translation of foreign operations	-271	718		244		447	911	-51	-385				
Items that may subsequently be reclassified to the income statement	-274	701		234		426	892	-52	-433				
Own credit risk adjustment (OCA) ¹⁾	4	-8		4	18	-4	-7	-43	0				
Defined benefit plans	1 365	3 347	-59	1 733	-21	4 713	2 052	130	-659				
Items that will not be reclassified to the income statement	1 369	3 339	-59	1 736	-21	4 709	2 045	130	-659				
OTHER COMPREHENSIVE INCOME	1 095	4 040	-73	1 971	-44	5 135	2 936	75	-1 092				
TOTAL COMPREHENSIVE INCOME	10 511	13 543	-22	11 738	-10	24 054	22 097	9	37 024				
Attributable to shareholders of Skandinaviska Enskilda Banken AB	10 511	13 543	-22	11 738	-10	24 054	22 097	9	37 024				

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

Balance sheet, condensed

SEK m	30 Jun 2024	31 Mar 2024	31 Dec 2023
Cash and cash balances at central banks	658 666	584 551	312 373
Loans to central banks	44 719	101 525	97 691
Loans to credit institutions ²⁾	95 068	122 717	84 128
Loans to the public	2 184 143	2 154 609	2 101 181
Debt securities	360 234	328 986	266 252
Equity instruments	119 261	132 840	92 707
Financial assets for which the customers bear the investment risk	437 566	429 227	392 457
Derivatives	128 006	153 378	183 080
Other assets	124 630	121 811	78 349
TOTAL ASSETS	4 152 293	4 129 644	3 608 218
Deposits from central banks and credit institutions	190 988	174 428	147 455
Deposits and borrowings from the public ¹⁾	1 957 130	1 899 221	1 611 651
Financial liabilities for which the customers bear the investment risk	437 221	429 348	392 362
Liabilities to policyholders	37 239	36 942	36 453
Debt securities issued	979 960	1 025 194	867 838
Short positions	59 468	40 387	33 700
Derivatives	128 860	158 813	204 176
Other financial liabilities	208	147	100
Other liabilities	143 586	156 217	92 708
Total liabilities	3 934 660	3 920 697	3 386 443
Equity	217 634	208 947	221 775
TOTAL LIABILITIES AND EQUITY	4 152 293	4 129 644	3 608 218
¹⁾ Deposits covered by deposit guarantees	403 096	397 006	395 885

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

Statement of changes in equity

SEK m	Other reserves ¹⁾						Equity
	Share capital	OCA ²⁾	Cash flow hedges	Translation of foreign operations	Defined benefit plans	Retained earnings	
Jan-Jun 2024							
Opening balance	21 942	-175	14	1 191	19 780	179 023	221 775
Net profit						18 919	18 919
Other comprehensive income (net of tax)		-4	-21	447	4 713		5 135
Total comprehensive income		-4	-21	447	4 713	18 919	24 054
Dividend to shareholders						-23 709	-23 709
Bonus issue	412					-412	
Cancellation of shares	-412					-5 061	-5 473
Equity-based programmes						126	126
Change in holdings of own shares ⁴⁾						861	861
Closing balance	21 942	-179	-7	1 638	24 493	169 747	217 634
Jan-Dec 2023							
Opening balance	21 942	-175	62	877	20 439	160 995	204 141
Transfer of translation differences ³⁾				698		-698	
Restated balance at 1 January 2023	21 942	-175	62	1 575	20 439	160 297	204 141
Net profit						38 116	38 116
Other comprehensive income (net of tax)		0	-49	-385	-659		-1 092
Total comprehensive income		0	-49	-385	-659	38 116	37 024
Dividend to shareholders						-14 195	-14 195
Bonus issue	390					-390	
Cancellation of shares	-390					-4 106	-4 496
Equity-based programmes						146	146
Change in holdings of own shares ⁴⁾						-845	-845
Closing balance³⁾	21 942	-175	14	1 191	19 780	179 023	221 775
Jan-Jun 2023							
Opening balance	21 942	-175	62	877	20 439	160 996	204 141
Transfer of translation differences ³⁾				698		-698	
Restated balance at 1 January 2023	21 942	-175	62	1 575	20 439	160 297	204 141
Net profit						19 161	19 161
Other comprehensive income (net of tax)		-7	-19	911	2 052		2 936
Total comprehensive income		-7	-19	911	2 052	19 161	22 097
Dividend to shareholders						-14 195	-14 195
Bonus issue	390					-390	
Cancellation of shares	-390					-4 106	-4 496
Equity-based programmes						-108	-108
Change in holdings of own shares ⁴⁾						1 910	1 910
Closing balance³⁾	21 942	-182	44	2 486	22 491	162 570	209 350

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⁾ Opening balance 2023 has been restated due to transfer of translation differences.

⁴⁾ Number of shares owned by SEB, for table see next page.

Statement of changes in equity, cont.

	Jan-Jun	Jan-Dec	Jan-Jun
Number of shares owned by SEB, million	2024	2023	2023
Opening balance	67.1	65.3	65.3
Repurchased shares for equity-based programmes	4.6	6.2	6.2
Sold/distributed shares	-6.0	-6.4	-5.4
Repurchased shares for capital purposes	23.4	40.7	18.6
Cancelled shares held for capital purposes	-40.1	-38.7	-38.7
Closing balance	49.0	67.1	46.0
Market value of shares owned by SEB, SEK m	7 668	9 318	5 476
Net acquisition cost for purchase of own shares for equity-based programmes deducted from equity, period	-60	-123	-221
Net acquisition cost for purchase of own shares for equity-based programmes deducted from equity, accumulated	-2 755	-2 695	-2 793

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

Cash flow statement, condensed

SEK m	Jan-Jun			Full-year
	2024	2023	%	2023
Cash flow from the profit and loss statement	15 013	9 772	54	45 876
Increase (-)/decrease (+) in trading portfolios	-113 114	-205 162	-45	-79 179
Increase (+)/decrease (-) in issued short term securities	107 928	207 386	-48	71 854
Increase (-)/decrease (+) in lending	-41 024	-230 816	-82	-58 431
Increase (+)/decrease (-) in deposits and borrowings	383 636	389 803	-2	-11 431
Increase/decrease in other balance sheet items	-41	4 977		-7 076
Cash flow from operating activities	352 398	175 960	100	-38 387
Cash flow from investing activities	-715	-700	2	-607
Cash flow from financing activities	-16 553	-16 582	-0	-19 331
Net increase in cash and cash equivalents	335 130	158 678	111	-58 326
Cash and cash equivalents at the beginning of year	320 879	382 972	-16	382 972
Exchange rate differences on cash and cash equivalents	11 176	15 125	-26	-3 767
Net increase in cash and cash equivalents	335 130	158 678	111	-58 326
Cash and cash equivalents at the end of period¹⁾	667 185	556 774	20	320 879

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

Notes to the financial statements – SEB Group

Note 1. Accounting policies and presentation

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

As of 1 January 2024, the group applies the following amendments to IFRS standards: Classification of Liabilities as Current or Non-Current - The amendments to IAS 1 *Presentation of Financial Statements* specify the requirements for classifying liabilities as current or non-current. The amendments have not had a significant effect on the group's consolidated financial statements.

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 2023.

Presentation changes in the financial statements in 2024

Starting from the first quarter 2024, the following changes were implemented:

- Income statements are presented in absolute values. The change mainly impacts expenses, net expected credit losses and imposed levies.
- The additional information in the net financial income table has been broadened. The previous valuation adjustments relating to counterparty risk (CVA) and own credit standing (DVA) have been complemented with adjustments relation to funding (FVA) and collateral (ColVa).
- The lending and deposit volumes of the division Large Corporates & Financial Institutions were adjusted to exclude collateral margin.
- The name of the division Investment Management was changed to division Asset Management.

Note 2. Net interest income

SEK m	Q2		Q1		Q2		Jan-Jun			Full-year
	2024	2024	%	2023	%	2024	2023	%	2023	
Interest income ¹⁾	38 956	38 368	2	32 643	19	77 324	60 063	29	135 394	
Interest expense	-27 345	-26 603	3	-20 763	32	-53 948	-36 885	46	-87 868	
Net interest income	11 611	11 765	-1	11 881	-2	23 376	23 177	1	47 526	
¹⁾ Of which interest income calculated using the effective interest method	34 112	33 762	1	28 730	19	67 874	53 267	27	120 021	

Note 3. Net fee and commission income

SEK m	Q2		Q1		Q2		Jan-Jun			Full-year
	2024	2024	%	2023	%	2024	2023	%	2023	
Issue of securities and advisory services	392	347	13	321	22	740	638	16	1 193	
Secondary market and derivatives	534	440	21	730	-27	974	1 158	-16	2 015	
Custody and mutual funds	2 736	2 599	5	2 383	15	5 335	4 759	12	9 604	
<i>Whereof performance fees</i>	42	85	-51	0		127	82	54	146	
Payments, cards, lending, deposits, guarantees and other	3 630	3 410	6	3 266	11	7 041	6 683	5	13 724	
<i>Whereof payments and card fees</i>	1 991	1 850	8	1 874	6	3 841	3 639	6	7 446	
<i>Whereof lending</i>	1 042	956	9	1 011	3	1 997	1 857	8	3 841	
Life insurance commissions	376	383	-2	330	14	759	688	10	1 427	
Fee and commission income	7 669	7 180	7	7 030	9	14 848	13 927	7	27 962	
Fee and commission expense	-1 732	-1 555	11	-1 392	24	-3 287	-3 119	5	-6 293	
Net fee and commission income	5 936	5 625	6	5 637	5	11 561	10 807	7	21 669	
<i>Whereof Net securities commissions</i>	2 690	2 510	7	2 599	3	5 200	4 889	6	9 558	
<i>Whereof Net payment and card fees</i>	1 266	1 199	6	1 216	4	2 464	2 370	4	4 802	
<i>Whereof Net life insurance commissions</i>	257	280	-8	224	15	537	479	12	991	
<i>Whereof Other commissions</i>	1 724	1 636	5	1 598	8	3 360	3 069	9	6 319	

Note 3. Fee and commission income by segment

SEK m	Large Corporates & Financial Institutions	Corporate & Private Customers	Private Wealth Mgmt & Family Office	Baltic	Life	Asset Management	Group Functions	Eliminations	SEB Group
Q2 2024									
Issue of securities and advisory	377	1	9			5	0		392
Secondary market and derivatives	438	14	70	10	0	1	3	0	534
Custody and mutual funds	429	312	846	64	69	2 053	0	-1 036	2 736
Payments, cards, lending, deposits, guarantees and other	1 558	1 465	61	693	60	21	106	-334	3 630
Life insurance commissions					834			-458	376
Fee and commission income	2 801	1 792	986	767	963	2 080	109	-1 829	7 669
Q1 2024									
Issue of securities and advisory	345	1	6			-4	0		347
Secondary market and derivatives	356	13	67	9	0	0	-6	0	440
Custody and mutual funds	391	288	794	58	64	1 988	0	-985	2 599
Payments, cards, lending, deposits, guarantees and other	1 470	1 418	73	619	59	7	105	-340	3 410
Life insurance commissions					816			-433	383
Fee and commission income	2 562	1 721	941	687	939	1 990	98	-1 758	7 180
Jan-Jun 2024									
Issue of securities and advisory	721	2	15			1	0		740
Secondary market and derivatives	794	27	137	19	0	0	-4	-1	974
Custody and mutual funds	820	600	1 640	121	133	4 041	0	-2 021	5 335
Payments, cards, lending, deposits, guarantees and other	3 028	2 884	134	1 313	119	27	211	-674	7 041
Life insurance commissions					1 650			-891	759
Fee and commission income	5 363	3 513	1 927	1 453	1 902	4 070	207	-3 587	14 848
Jan-Jun 2023									
Issue of securities and advisory	617	5	16				0		638
Secondary market and derivatives	1 000	-1	147	17	0	5	-9	0	1 158
Custody and mutual funds	796	528	463	106	111	3 627	0	-872	4 759
Payments, cards, lending, deposits, guarantees and other	2 841	2 729	139	1 243	129	29	193	-620	6 683
Life insurance commissions					1 533			-845	688
Fee and commission income	5 254	3 261	764	1 365	1 773	3 661	184	-2 338	13 927

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.

Note 4. Net financial income

SEK m	Q2		Q1		Q2		Jan-Jun			Full-year
	2024	2024	%	2023	%	2024	2023	%	2023	
Equity instruments and related derivatives	220	473	-53	246	-11	693	574	21	1 638	
Debt instruments and related derivatives	1 024	966	6	1 933	-47	1 990	2 161	-8	962	
Currency and related derivatives	1 147	953	20	-340		2 100	995	111	5 683	
Other	356	857	-58	770	-54	1 214	1 281	-5	1 709	
Net financial income	2 747	3 249	-15	2 609	5	5 996	5 012	20	9 991	
<i>Whereof gains/losses from counterparty risk (CVA), own credit standing (DVA), funding value adjustment (FVA) and collateral value adjustment (ColVa)</i>	-74	50		410		-25	152		-172	

Note 5. Net expected credit losses

SEK m	Q2		Q1		Q2		Jan-Jun			Full-year
	2024	2024	%	2023	%	2024	2023	%	2023	
Impairment gains or losses - Stage 1	-63	-86	-27	-361	-82	-149	-445	-66	-927	
Impairment gains or losses - Stage 2	-123	-63	95	250		-186	390		790	
Impairment gains or losses - Stage 3	239	201	19	140	71	441	370	19	1 088	
Impairment gains or losses	53	52	2	29	82	105	315	-67	952	
Write-offs and recoveries										
Total write-offs	400	257	56	773	-48	657	1 434	-54	1 884	
Reversals of allowance for write-offs	-325	-176	85	-701	-54	-501	-1 295	-61	-1 580	
Write-offs not previously provided for	75	81	-7	73	3	156	139	13	304	
Recovered from previous write-offs	-84	-60	40	-59	43	-144	-139	4	-294	
Net write-offs	-9	21		14		12	-0		10	
Net expected credit losses	44	73	-40	43	2	117	315	-63	962	
Net ECL level, %	0.01	0.01		0.01		0.01	0.02		0.03	

The income statement is presented with absolute values, which means net expected credit losses are presented with a positive sign.

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

Note 6. Imposed levies

SEK m	Q2		Q1		Q2		Jan-Jun			Full-year
	2024	2024	%	2023	%	2024	2023	%	2023	
Resolution fees	308	349	-12	340	-9	656	647	1	1 296	
Risk tax, Sweden	396	396	0	394	1	793	788	1	1 576	
Temporary mortgage levy, Latvia	59	58	2			117				
Temporary solidarity contribution, Lithuania	279	330	-16	201	39	608	201		947	
Other imposed levies	4					4				
Imposed levies	1 046	1 133	-8	934	12	2 179	1 636	33	3 819	

On 16 May 2023, Lithuania established a temporary (two years) solidarity contribution for credit institutions, the reason being the increase in banks' net interest income when central banks raised interest rates. Lithuania has decided to prolong the temporary solidarity contribution for the tax year 2025. The contribution is calculated on a formula-defined net interest income tax base. On 6 December 2023, Latvia established a temporary (one year) mortgage levy for 2024. The contribution is calculated as 50 basis points on a credit institutions mortgage volume in Latvia, per quarter (2 per cent annually). Other imposed levies relates to United Kingdom, Bank of England Levy.

Note 7. Pledged assets and obligations

SEK m	30 Jun 2024	31 Mar 2024	31 Dec 2023
Pledged assets for own liabilities ¹⁾	664 540	672 970	664 391
Pledged assets for liabilities to insurance policyholders	474 335	466 186	428 673
Other pledged assets ²⁾	132 978	107 796	68 546
Pledged assets	1 271 853	1 246 951	1 161 610
Contingent liabilities ³⁾	197 544	205 592	201 010
Commitments	908 117	916 977	904 280
Obligations	1 105 662	1 122 570	1 105 290

¹⁾ Of which collateralised for own issued covered bonds SEK 368,649m (350,392; 328,308).

²⁾ Of which pledged but unencumbered bonds SEK 86,567m (59,615; 23,830).

³⁾ Of which financial guarantees SEK 12,119m (12,856; 11,833).

Note 8. Financial assets and liabilities

SEK m	30 Jun 2024		31 Mar 2024		31 Dec 2023	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Loans ¹⁾	2 979 597	2 987 241	2 960 807	2 965 992	2 593 042	2 600 783
Debt securities	360 234	360 220	328 986	328 966	266 252	266 250
Equity instruments	119 261	119 261	132 840	132 840	92 707	92 707
Financial assets for which the customers bear the investment risk	437 566	437 566	429 227	429 227	392 457	392 457
Derivatives	128 006	128 006	153 378	153 378	183 080	183 080
Other	52 529	52 529	52 976	52 976	18 104	18 104
Financial assets	4 077 192	4 084 822	4 058 213	4 063 378	3 545 641	3 553 380
Deposits	2 148 078	2 146 611	2 073 625	2 075 039	1 758 975	1 757 516
Financial liabilities for which the customers bear the investment risk	437 221	437 221	429 348	429 348	392 362	392 362
Debt securities issued ²⁾	1 016 514	1 009 177	1 061 950	1 054 917	897 525	887 041
Short positions	59 468	59 468	40 387	40 387	33 700	33 700
Derivatives	128 860	128 860	158 813	158 813	204 176	204 176
Other	55 826	55 827	57 759	57 529	21 740	21 749
Financial liabilities	3 845 967	3 837 164	3 821 882	3 816 033	3 308 478	3 296 544

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

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

SEB has classified its financial instruments by class taking into account the characteristics of the instruments. The fair value of each class of financial assets and liabilities are compared with its carrying amount. A description of the characteristics of the classes can be found in note 37 in the Annual and Sustainability Report 2023.

Note 9. Assets and liabilities measured at fair value

SEK m	30 Jun 2024				31 Dec 2023			
	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		255 106	2 244	257 350		164 516	2 052	166 568
Debt securities	180 814	167 441	2	348 257	145 010	109 036		254 046
Equity instruments	97 662	182	21 418	119 261	72 094	187	20 425	92 707
Financial assets for which the customers bear the investment risk	413 589	14 702	9 275	437 566	370 326	13 606	8 525	392 457
Derivatives	735	126 772	499	128 006	558	181 916	606	183 080
Investment in associates ¹⁾			714	714			608	608
Total	692 799	564 203	34 152	1 291 154	587 988	469 261	32 217	1 089 465
Liabilities								
Deposits		12 225		12 225		13 387		13 387
Financial liabilities for which the customers bear the investment risk	413 244	14 702	9 275	437 221	370 231	13 606	8 525	392 362
Debt securities issued		3 638		3 638		5 207		5 207
Short positions	45 939	13 528		59 468	30 341	3 359		33 700
Derivatives	689	127 688	482	128 860	617	203 139	421	204 176
Other financial liabilities at fair value	115	94		208	81	19		100
Total	459 987	171 875	9 757	641 619	401 270	238 716	8 946	648 932

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

Fair value measurement

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

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

Note 9. Assets and liabilities measured at fair value, cont.

Level 1: Quoted market prices

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

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

Level 2: Valuation techniques with observable inputs

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

Examples of observable inputs are foreign currency exchange rates, binding securities price quotations, market interest rates, 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. The largest open market risk within Level 3 financial instruments remains in the traditional life insurance investment portfolios within the insurance business.

	Opening balance 1 Jan 2024	Reclassi- fication	Gain/loss in Income statement ¹⁾	Purchases	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Exchange rate differences	Closing balance 30 Jun 2024
Changes in level 3, SEK m										
Assets										
Loans	2 052		-11	237	-124	-0			90	2 244
Debt securities	0		-59		-15	-1	77		-0	2
Equity instruments	20 425		1 226	960	-1 288				94	21 418
Financial assets for which the customers bear the investment risk	8 525		67	1 531	-1 039		33	-30	188	9 275
Derivatives	606		5		-104	-9			0	499
Investment in associates	608		65	40					1	714
Total	32 216		1 293	2 768	-2 569	-10	110	-30	373	34 152
Liabilities										
Financial liabilities for which the customers bear the investment risk	8 525		67	1 531	-1 039		33	-30	188	9 275
Derivatives	421		78	-9		-9			0	482
Total	8 946		145	1 522	-1 039	-9	33	-30	188	9 757

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

Note 9. Assets and liabilities measured at fair value, cont.

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 2023.

SEK m	30 Jun 2024				31 Dec 2023			
	Assets	Liabilities	Net	Sensitivity	Assets	Liabilities	Net	Sensitivity
Derivative instruments ¹⁾⁴⁾	395	-482	-86	92	394	-421	-27	29
Debt instruments ³⁾	2 246		2 246	337	2 052		2 052	308
Equity instruments ²⁾⁵⁾⁶⁾	5 483		5 483	1 093	4 920		4 920	984
Insurance holdings - Financial instruments ³⁾⁴⁾⁶⁾⁷⁾	16 738		16 738	2 377	16 312		16 312	2 266

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

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

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

⁴⁾ Shift in implied volatility by 10 per cent.

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

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

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

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

SEK m	30 Jun 2024	31 Mar 2024	31 Dec 2023
Stage 1 (12-month ECL)			
Debt securities	11 977	13 625	12 207
Loans ¹⁾	1 990 611	2 021 722	1 959 910
Financial guarantees and Loan commitments	902 420	918 973	895 656
Gross carrying amounts/Nominal amounts Stage 1	2 905 009	2 954 320	2 867 773
Debt securities	-0	-0	-0
Loans ¹⁾	-1 508	-1 529	-1 567
Financial guarantees and Loan commitments	-280	-332	-347
ECL allowances Stage 1	-1 788	-1 860	-1 914
Debt securities	11 977	13 625	12 206
Loans ¹⁾	1 989 104	2 020 193	1 958 344
Financial guarantees and Loan commitments	902 141	918 641	895 309
Carrying amounts/Net amounts Stage 1	2 903 221	2 952 460	2 865 859
Stage 2 (lifetime ECL)			
Loans ¹²⁾	85 865	80 196	76 363
Financial guarantees and Loan commitments	13 527	17 508	15 052
Gross carrying amounts/Nominal amounts Stage 2	99 393	97 704	91 414
Loans ¹²⁾	-2 069	-2 081	-2 035
Financial guarantees and Loan commitments	-234	-360	-420
ECL allowances Stage 2	-2 303	-2 441	-2 455
Loans ¹²⁾	83 797	78 115	74 327
Financial guarantees and Loan commitments	13 293	17 148	14 632
Carrying amounts/Net amounts Stage 2	97 090	95 263	88 959
Stage 3 (credit impaired/lifetime ECL)			
Loans ¹³⁾	6 957	7 326	7 588
Financial guarantees and Loan commitments	3 064	2 784	1 436
Gross carrying amounts/Nominal amounts Stage 3	10 021	10 111	9 023
Loans ¹³⁾	-3 294	-3 508	-3 458
Financial guarantees and Loan commitments	-346	-258	-172
ECL allowances Stage 3	-3 640	-3 766	-3 629
Loans ¹³⁾	3 664	3 818	4 130
Financial guarantees and Loan commitments	2 718	2 527	1 264
Carrying amounts/Net amounts Stage 3	6 382	6 345	5 394

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

SEK m	30 Jun 2024	31 Mar 2024	31 Dec 2023
Total			
Debt securities	11 977	13 625	12 207
Loans ¹⁾²⁾³⁾	2 083 434	2 109 245	2 043 860
Financial guarantees and Loan commitments	919 012	939 266	912 144
Gross carrying amounts/Nominal amounts	3 014 423	3 062 135	2 968 211
Debt securities	-0	-0	-0
Loans ¹⁾²⁾³⁾	-6 870	-7 118	-7 060
Financial guarantees and Loan commitments	-860	-950	-939
ECL allowances	-7 730	-8 067	-7 999
Debt securities	11 977	13 625	12 206
Loans ¹⁾²⁾³⁾	2 076 564	2 102 127	2 036 801
Financial guarantees and Loan commitments	918 152	938 316	911 205
Carrying amounts/Net amounts	3 006 693	3 054 068	2 960 212

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

²⁾ Whereof gross carrying amounts SEK 2,548m (1,936; 1,165) and ECL allowances SEK 6m (4; 3) under Lifetime ECLs -simplified approach for trade receivables.

³⁾ Whereof gross carrying amounts SEK 691m (892; 916) and ECL allowances SEK 526m (701; 722) 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, %	0.33	0.35	0.37
Stage 3 loans / Total loans, net, %	0.18	0.18	0.20
ECL coverage ratio Stage 1, %	0.06	0.06	0.07
ECL coverage ratio Stage 2, %	2.32	2.50	2.69
ECL coverage ratio Stage 3, %	36.32	37.25	40.22
ECL coverage ratio, %	0.26	0.26	0.27

Development of exposures and ECL allowances by stage

Credit-impaired loans (gross loans in Stage 3) decreased to SEK 7.0bn (7.3), mainly due to write-offs against reserves. This corresponds to 0.33 per cent of total loans (0.35). Credit-impaired exposures (gross exposures in Stage 3) amounted to SEK 10.0bn (10.1). Write-offs against reserves also decreased Stage 3 ECL allowances. The ECL coverage ratio for Stage 3 decreased to 36.32 percent (37.25) due to an increase in financial guarantees and loan commitments, which has a lower ECL coverage ratio than loans.

Stage 2 exposures increased in the household mortgage and corporate portfolios. The main reason is an update in the framework for significant increase in credit risk on portfolio level, while asset quality remained broadly stable.

ECL allowances in Stage 1 and 2 marginally decreased due to derecognised financial assets, reduced model portfolio overlays and more positive forecasts in the updated macroeconomic scenarios being partly offset by currency effects.

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

Key macroeconomic 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.

Compared with the previous quarter, only smaller revisions were made to the forecasts with some improvements in growth prospects.

The base scenario assumes growth in 2024 will be low, especially in Europe, and labour markets will deteriorate moderately. Foundations are being laid for a recovery in 2025, despite a worsening security situation. The inflation downward trend is alive but unstable, persuading central banks to wait longer and cut key rates more slowly. Lower inflation and interest rates, and high employment, will pave way for increased consumption and capital spending.

The main macroeconomic assumptions in the base scenario are shown in the table below.

Base scenario assumptions	2024	2025	2026
Global GDP growth	3.0%	3.1%	3.4%
OECD GDP growth	1.7%	1.9%	2.3%
Sweden			
GDP growth	0.5%	2.8%	2.7%
Household consumption expenditure growth	1.4%	3.2%	2.6%
Interest rate (STIBOR)	2.90%	2.30%	2.30%
Residential real estate price growth	2.0%	4.0%	4.0%
Baltic countries			
GDP growth	-0.5% - 1.9%	2.7% - 3.5%	2.6% - 3.0%
Household consumption expenditure growth	0.5% - 2.8%	2.2% - 3.2%	3.0% - 3.3%
Inflation rate	1.0% - 3.5%	2.4% - 2.7%	2.5% - 2.6%
Nominal wage growth	7.0% - 9.2%	6.5% - 7.7%	5.0% - 6.8%
Unemployment rate	6.5% - 7.5%	6.4% - 6.7%	5.8% - 6.4%

In the positive scenario, US inflation disappointments are temporary, and service inflation is falling faster. Combined with a strong capital spending and consumption cycle, while productivity accelerates, we see an environment of lower interest rates, higher growth and a stronger labour market. In the negative scenario, inflation setbacks spread to more countries, while a more intensive level of geopolitical conflict causes energy and freight prices to climb. In such a scenario, interest rate cuts will be postponed and there may even be talk of higher key rates. Households that are already under pressure will be forced to cut back further, and asset prices will fall. A further description of the scenarios is available in the Nordic Outlook update published in May 2024.

The probability for the base scenario was maintained at 60 per cent, and the probabilities for the positive and negative scenarios were maintained at 20 per cent, respectively.

In the second quarter, the update of the macroeconomic parameters led to a marginal decrease of ECL allowances. Should the positive and negative scenarios in the macroeconomic update be assigned 100 per cent probability, the model calculated ECL allowances would decrease by 2 per cent and increase by 4 per cent respectively compared with the probability-weighted calculation.

Expert credit judgement

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 have been made using ECJ. In the second quarter, the portfolio model overlays decreased to SEK 2.0bn (2.2), reflecting elevated, but lower risks compared with the previous quarter. The risks reflect uncertainties related to elevated inflation and interest rates, consumer spending and continued elevated risks in the Swedish real estate sector. Regarding the real estate sector, the sentiment has improved somewhat, but the full impact of higher rates on financing costs is yet to materialize. SEK 0.8bn (0.8) of the model overlays related to the Large Corporates & Financial Institutions division, SEK 0.9bn (1.0) to the Corporate & Private Customers division and SEK 0.3bn (0.5) to the Baltic division.

The model overlays 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 as well as analysis and stress tests of sectors specifically exposed to economic distress, including higher interest rates and inflation risks. The portfolio model overlays are re-evaluated quarterly in connection with the assessment of ECL allowances.

SEB's measurement of ECL allowances and related assumptions according to IFRS 9 can be found in notes 1 and 18 in the Annual and Sustainability Report for 2023.

Note 11. Movements in allowances for expected credit losses

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 Dec 2023	1 567	2 035	3 458	7 060
New and derecognised financial assets, net	173	-366	-229	-422
Changes due to change in credit risk	-245	357	500	612
Changes due to modifications	1	16	2	19
Changes due to methodology change	-5	1	-1	-5
Decreases in ECL allowances due to write-offs			-501	-501
Change in exchange rates	17	26	66	108
ECL allowance as of 30 Jun 2024	1 508	2 069	3 294	6 870
Financial guarantees and Loan commitments				
ECL allowance as of 31 Dec 2023	347	420	172	939
New and derecognised financial assets, net	27	-135	232	124
Changes due to change in credit risk	-100	-61	-64	-226
Changes due to modifications		2	1	3
Changes due to methodology change	-0	0	0	0
Change in exchange rates	6	8	5	19
ECL allowance as of 30 Jun 2024	280	234	346	860
Total Loans, Debt securities, Financial guarantees and Loan commitments				
ECL allowance as of 31 Dec 2023	1 914	2 456	3 629	7 999
New and derecognised financial assets, net	200	-500	3	-298
Changes due to change in credit risk	-345	295	436	386
Changes due to modifications	1	18	2	22
Changes due to methodology change	-6	1	-0	-5
Decreases in ECL allowances due to write-offs			-501	-501
Change in exchange rates	23	34	71	127
ECL allowance as of 30 Jun 2024	1 788	2 303	3 640	7 730

SEB's measurement of ECL allowances and related assumptions according to IFRS 9 can be found on pages 90-91 and 121-122 in the Annual and Sustainability Report 2023.

Note 12. 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
30 Jun 2024									
Banks	90 209	1 782	12	92 003	-3	-3	-2	-8	91 995
Finance and insurance	216 173	809	235	217 217	-41	-12	-180	-234	216 984
Wholesale and retail	83 603	4 131	694	88 427	-89	-117	-256	-462	87 965
Transportation	27 819	2 372	255	30 446	-25	-83	-18	-127	30 319
Shipping	47 798	393	218	48 408	-7	-3	-122	-132	48 276
Business and household services	205 980	11 655	1 489	219 124	-293	-565	-730	-1 588	217 536
Construction	16 883	1 197	114	18 194	-39	-41	-26	-106	18 088
Manufacturing	110 076	5 898	1 248	117 222	-78	-192	-1 075	-1 345	115 877
Agriculture, forestry and fishing	31 643	1 956	190	33 788	-21	-58	-11	-89	33 699
Mining, oil and gas extraction	1 893	765	0	2 659	-4	-106	-0	-111	2 548
Electricity, gas and water supply	92 176	2 401	255	94 833	-24	-125	-121	-270	94 562
Other	20 957	2 114	105	23 175	-38	-19	-13	-71	23 104
Corporates	855 000	33 690	4 804	893 494	-659	-1 321	-2 553	-4 533	888 960
Commercial real estate management	188 109	4 770	70	192 949	-465	-106	-19	-590	192 359
Residential real estate management	128 308	6 222	304	134 834	-121	-80	-64	-265	134 568
Real Estate Management	316 417	10 992	374	327 783	-586	-187	-82	-855	326 927
Housing co-operative associations	57 308	3 917	54	61 279	-2	-100	-1	-103	61 176
Public Administration	22 872	445	12	23 329	-1	-0	-0	-2	23 326
Household mortgages	605 456	32 018	865	638 339	-38	-219	-231	-489	637 851
Other	43 350	3 022	837	47 208	-219	-238	-424	-880	46 328
Households	648 806	35 040	1 702	685 547	-257	-457	-655	-1 369	684 179
TOTAL	1 990 611	85 865	6 957	2 083 434	-1 508	-2 069	-3 294	-6 870	2 076 564

Note 12. Loans and expected credit loss (ECL) allowances by industry, cont.

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 Dec 2023									
Banks	95 050	1 254	12	96 315	-4	-2	-2	-7	96 308
Finance and insurance	194 690	1 574	221	196 485	-72	-25	-159	-255	196 229
Wholesale and retail	78 620	3 606	582	82 808	-105	-122	-206	-433	82 375
Transportation	28 779	1 372	126	30 277	-35	-26	-22	-83	30 194
Shipping	49 289	1 454	108	50 851	-12	-9	-100	-121	50 730
Business and household services	190 895	9 116	2 724	202 735	-272	-493	-883	-1 648	201 087
Construction	16 544	1 004	87	17 635	-28	-33	-24	-85	17 550
Manufacturing	106 060	5 509	1 299	112 868	-107	-193	-1 123	-1 422	111 446
Agriculture, forestry and fishing	34 003	1 092	139	35 234	-19	-10	-29	-59	35 175
Mining, oil and gas extraction	4 374	837	0	5 212	-6	-101	-0	-108	5 104
Electricity, gas and water supply	91 242	954	253	92 449	-39	-37	-122	-198	92 251
Other	23 058	1 897	70	25 025	-38	-25	-10	-73	24 952
Corporates	817 553	28 415	5 609	851 578	-733	-1 074	-2 679	-4 486	847 092
Commercial real estate management	181 135	4 229	110	185 475	-372	-99	-21	-492	184 983
Residential real estate management	130 487	7 446	226	138 158	-143	-276	-62	-481	137 677
Real Estate Management	311 622	11 675	336	323 633	-514	-376	-84	-974	322 659
Housing co-operative associations	59 239	4 213	56	63 508	-2	-0	-8	-10	63 498
Public Administration	24 897	348	0	25 245	-2	-1	-0	-3	25 242
Household mortgages	608 438	27 081	705	636 224	-62	-293	-223	-578	635 646
Other	43 112	3 376	869	47 357	-250	-291	-461	-1 002	46 355
Households	651 550	30 457	1 574	683 580	-311	-583	-685	-1 579	682 001
TOTAL	1 959 910	76 363	7 588	2 043 860	-1 567	-2 035	-3 458	-7 060	2 036 801

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.

Note 13. Uncertainties

The relevant overall risks and uncertainties for the SEB Group are outlined in the 2023 Annual and Sustainability Report and the previous 2024 Quarterly Reports. In respect of the re-assessment of credited withholding tax in Germany, the investigation of alleged tax evasion of a severe nature, the supervisory matters

and the claim from the Swedish Pensions Agency there have been no material developments during the second quarter that require an update of the description of the matters listed under future uncertainties in the 2023 Annual and Sustainability Report.

SEB consolidated situation

Note 14. Capital adequacy analysis

SEK m	30 Jun 2024	31 Mar 2024	31 Dec 2023
Available own funds and total risk exposure amount			
Common Equity Tier 1 (CET1) capital	174 743	175 004	170 364
Tier 1 capital	189 294	189 962	184 409
Total capital	209 736	211 068	199 688
Total risk exposure amount (TREA)	920 279	926 500	891 992
Capital ratios and minimum capital requirement (as a percentage of TREA)			
Common Equity Tier 1 ratio (%)	19.0%	18.9%	19.1%
Tier 1 ratio (%)	20.6%	20.5%	20.7%
Total capital ratio (%)	22.8%	22.8%	22.4%
Pillar 1 minimum capital requirement (% P1)	8.0%	8.0%	8.0%
Pillar 1 minimum capital requirement (amounts)	73 622	74 120	71 359
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)	2.3%	2.3%	2.3%
of which: to be made up of CET1 capital (percentage points)	1.6%	1.6%	1.6%
of which: to be made up of Tier 1 capital (percentage points)	1.8%	1.8%	1.8%
Total SREP own funds requirements (% P1+P2R)	10.3%	10.3%	10.3%
Total SREP own funds requirements (amounts)	94 494	95 133	91 590
Additional CET1 buffer requirements and CET1 Pillar 2 Guidance (as a percentage of TREA)			
Capital conservation buffer (%)	2.5%	2.5%	2.5%
Institution specific countercyclical capital buffer (%)	1.6%	1.5%	1.6%
Systemic risk buffer (%)	3.1%	3.1%	3.1%
Other Systemically Important Institution buffer (%)	1.0%	1.0%	1.0%
Combined buffer requirement (% CBR)	8.1%	8.1%	8.1%
Combined buffer requirement (amounts)	74 946	75 279	72 539
Overall capital requirements (% P1+P2R+CBR)	18.4%	18.4%	18.4%
Overall capital requirements (amounts)	169 440	170 412	164 128
CET1 available after meeting the total SREP own funds requirements (% P1+P2R)	12.5%	12.5%	12.1%
Pillar 2 Guidance (% P2G)	0.5%	0.5%	0.5%
Pillar 2 Guidance (amounts)	4 601	4 632	4 460
Overall capital requirements and P2G (%)	18.9%	18.9%	18.9%
Overall capital requirements and P2G (amounts)	174 042	175 045	168 588
Leverage ratio, requirements and CET1 Pillar 2 Guidance (as a percentage of total exposure measure)			
Tier 1 capital (amounts)	189 294	189 962	184 409
Leverage ratio total exposure measure (amounts)	4 015 649	3 991 639	3 401 754
Leverage ratio (%)	4.7%	4.8%	5.4%
Total SREP leverage ratio requirements (%)	3.0%	3.0%	3.0%
Overall leverage ratio requirements (%)	3.0%	3.0%	3.0%
Overall leverage ratio requirements (amounts)	120 469	119 749	102 053
Pillar 2 Guidance (% P2G)	0.5%	0.5%	0.5%
Pillar 2 Guidance (amounts)	20 078	19 958	17 009
Overall leverage ratio requirements and P2G (%)	3.5%	3.5%	3.5%
Overall leverage ratio requirements and P2G (amounts)	140 548	139 707	119 061

Note 15. Own funds

SEK m	30 Jun 2024	31 Mar 2024	31 Dec 2023
Shareholders equity according to balance sheet ¹⁾	217 634	208 947	221 775
Accrued dividend	-9 239	-4 573	-23 838
Reversal of holdings of own CET1 instruments	4 405	7 753	5 360
Common Equity Tier 1 capital before regulatory adjustments	212 800	212 128	203 297
Additional value adjustments	-1 499	-1 425	-1 381
Goodwill	-4 267	-4 265	-4 256
Intangible assets	-1 266	-1 267	-1 142
Fair value reserves related to gains or losses on cash flow hedges	7	4	-14
Insufficient coverage for non-performing exposures	-49	-89	-100
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-524	-508	-579
Defined-benefit pension fund assets	-21 397	-20 569	-16 468
Direct and indirect holdings of own CET1 instruments	-9 063	-9 004	-8 992
Total regulatory adjustments to Common Equity Tier 1	-38 057	-37 123	-32 933
Common Equity Tier 1 capital	174 743	175 004	170 364
Additional Tier 1 instruments	14 551	14 958	14 045
Tier 1 capital	189 294	189 962	184 409
Tier 2 instruments ²⁾	21 065	21 266	15 109
Net provisioning amount for IRB-reported exposures	578	1 040	1 370
Holdings of Tier 2 instruments in financial sector entities	-1 200	-1 200	-1 200
Tier 2 capital	20 442	21 106	15 279
Total own funds	209 736	211 068	199 688

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

²⁾ In the first quarter SEB issued an Additional Tier 2 instrument of EUR 500m, which is included in the bank's own funds as of the first quarter 2024.

Note 16. Risk exposure amount

SEK m	30 Jun 2024		31 Mar 2024		31 Dec 2023	
	Risk exposure amount	Own funds requirement ¹⁾	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	19 952	1 596	20 166	1 613	17 131	1 370
Exposures to institutions	62 899	5 032	60 376	4 830	56 837	4 547
Exposures to corporates	434 316	34 745	443 004	35 440	425 657	34 053
Retail exposures	76 758	6 141	76 840	6 147	75 418	6 033
of which secured by immovable property	53 153	4 252	52 504	4 200	51 407	4 113
of which retail SME	6 575	526	6 900	552	6 540	523
of which other retail exposures	17 030	1 362	17 436	1 395	17 471	1 398
Securitisation positions	2 613	209	2 675	214	2 597	208
Total IRB approach	596 538	47 723	603 061	48 245	577 640	46 211
Credit risk standardised approach						
Exposures to central governments or central banks	3 345	268	3 552	284	3 210	257
Exposures to administrative bodies and non-commercial undertakings	793	63	715	57	711	57
Exposures to institutions	1 046	84	866	69	740	59
Exposures to corporates	5 034	403	5 240	419	4 801	384
Retail exposures	12 716	1 017	12 619	1 010	12 249	980
Exposures secured by mortgages on immovable property	2 068	165	1 938	155	1 873	150
Exposures in default	90	7	140	11	137	11
Exposures associated with particularly high risk	773	62	515	41	397	32
Exposures in the form of collective investment undertakings (CIU)	467	37	481	38	458	37
Equity exposures	6 649	532	6 614	529	6 040	483
Other items	14 236	1 139	12 078	966	11 695	936
Total standardised approach	47 217	3 777	44 758	3 581	42 312	3 385
Market risk						
Trading book exposures where internal models are applied	18 772	1 502	20 335	1 627	19 375	1 550
Trading book exposures applying standardised approaches	7 784	623	7 427	594	5 614	449
Total market risk	26 556	2 124	27 762	2 221	24 989	1 999
Other own funds requirements						
Operational risk advanced measurement approach	54 963	4 397	54 781	4 382	53 381	4 271
Settlement risk	1	0	15	1	0	0
Credit value adjustment	9 574	766	11 766	941	10 407	833
Investment in insurance business	26 951	2 156	25 991	2 079	25 155	2 012
Other exposures	3 939	315	3 578	286	3 875	310
Additional risk exposure amount, Article 3 CRR ²⁾	23	2	23	2		
Additional risk exposure amount, Article 458 CRR ³⁾	154 518	12 361	154 764	12 381	154 233	12 339
Total other own funds requirements	249 968	19 997	250 918	20 073	247 051	19 764
Total	920 279	73 622	926 500	74 120	891 992	71 359

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 EAD model in Estonia.

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 the third quarter 2021 for risk-weight floors in the Norwegian mortgage portfolio as well as for Norwegian corporate exposures collateralised by immovable property. As from the third quarter 2023 the capital requirements for risk-weight floors on exposures secured by commercial real estate in Sweden was moved from Pillar 2 to Pillar 1.

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	30 Jun 2024	31 Mar 2024	31 Dec 2023
Exposures to central governments or central banks	2.1%	2.3%	2.8%
Exposures to institutions	22.1%	21.0%	20.8%
Exposures to corporates	28.6%	28.5%	28.4%
Retail exposures	10.4%	10.4%	10.3%
of which secured by immovable property	8.1%	8.0%	7.9%
of which retail SME	56.4%	56.7%	56.9%
of which other retail exposures	25.9%	26.0%	26.2%
Securitisation positions	16.9%	16.7%	16.7%

Skandinaviska Enskilda Banken AB (publ) – parent company

Income statement

In accordance with FSA regulations	Q2			Q1		Q2		Jan-Jun			Full year
SEK m	2024	2024	%	2023	%	2024	2023	%	2023		
Interest income	37 360	36 194	3	29 567	26	73 553	54 388	35	122 546		
Leasing income	1 457	1 441	1	1 452	0	2 899	2 847	2	5 606		
Interest expense	-30 035	-28 738	5	-21 880	37	-58 773	-39 085	50	-91 189		
Dividends	1 099	6 864	-84	1 453	-24	7 963	4 553	75	5 513		
Fee and commission income	4 429	4 276	4	4 122	7	8 705	8 504	2	16 814		
Fee and commission expense	-1 009	- 945	7	- 790	28	-1 954	-2 001	-2	-3 853		
Net financial income	2 149	2 714	-21	2 333	-8	4 863	4 371	11	7 969		
Other income ¹⁾	- 372	-1 178	-68	- 99	0	-1 550	113		964		
Total operating income	15 079	20 628	-27	16 157	-7	35 706	33 688	6	64 370		
Administrative expenses ¹⁾	5 227	5 313	-2	5 093	3	10 540	9 942	6	19 816		
Depreciation, amortisation and impairment of tangible and intangible assets	1 406	1 397	1	1 411	0	2 803	2 798	0	5 640		
Total operating expenses	6 634	6 710	-1	6 504	2	13 343	12 740	5	25 456		
Profit before credit losses	8 445	13 918	-39	9 653	-13	22 363	20 948	7	38 915		
Net expected credit losses	234	92	154	64	0	327	300	9	1 008		
Impairment of financial assets ²⁾				504	-100		504	-100	519		
Operating profit	8 210	13 826	-41	9 086	-10	22 036	20 145	9	37 388		
Appropriations	386	441	-13	361	7	827	848	-2	2 886		
Income tax expense	2 007	1 293	55	1 066	88	3 300	2 756	20	7 706		
Other taxes	0	0		38	-100		41	-100	20		
NET PROFIT	6 589	12 974	-49	8 342	-21	19 564	18 196	8	32 548		

¹⁾ Group internal reimbursements for costs are now recognised net as Administrative costs. This has no impact on group. Comparative figures have been restated SEK 303m; 599m; 1,282m.

²⁾ The parent company did a write down of the dormant subsidiary Aktiv Placering AB by SEK 15m during 2023. In addition, following P27's announcement that it had decided to withdraw its clearing license application from the Swedish Financial Supervisory Authority, the parent company recognised an impairment loss of SEK 179m. The parent company also recognised an impairment loss of SEK 125m for Invidem as it announced that it will be wound down due to reduced economies of scale. Also, in 2023, the book value of SEB Strategic Investments AB was written down by SEK 200m after parent company received a dividend of the same amount. In total, impairment of SEK 519m was recognised for shares in subsidiaries, associates and joint ventures.

Statement of comprehensive income

	Q2			Q1		Q2		Jan-Jun			Full year
SEK m	2024	2024	%	2023	%	2024	2023	%	2023		
NET PROFIT	6 589	12 974	-49	8 342	-21	19 564	18 196	8	32 548		
Cash flow hedges	-3	-4	-18	- 10	-66	- 7	- 19	-62	- 49		
Translation of foreign operations	-11	-539	-98	- 162	-93	-550	- 87		- 84		
Items that may subsequently be reclassified to the income statement	- 14	- 543	-97	- 172	-92	- 557	- 106		- 132		
OTHER COMPREHENSIVE INCOME	- 14	- 543	-97	- 172	-92	- 557	- 106		- 132		
TOTAL COMPREHENSIVE INCOME	6 575	12 431	-47	8 170	-20	19 006	18 091	5	32 416		

Balance sheet, condensed

SEK m	30 Jun 2024	31 Mar 2024	31 Dec 2023
Cash and cash balances with central banks	607 204	578 389	307 047
Loans to central banks	43 917	41 801	30 891
Loans to credit institutions	119 542	149 662	109 644
Loans to the public	1 942 719	1 914 615	1 870 983
Debt securities	333 155	303 202	242 173
Equity instruments	94 804	108 233	69 738
Derivatives	126 270	151 921	180 806
Other assets	150 265	148 340	107 550
TOTAL ASSETS	3 417 876	3 396 162	2 918 833
Deposits from central banks and credit institutions	235 770	217 404	181 428
Deposits and borrowings from the public ¹⁾	1 737 451	1 672 212	1 396 028
Debt securities issued	979 960	1 025 194	867 838
Short positions	59 468	40 387	33 700
Derivatives	127 325	157 110	203 037
Other financial liabilities	208	147	100
Other liabilities	112 258	123 004	62 560
Untaxed reserves	14 040	14 040	14 040
Equity	151 396	146 664	160 102
TOTAL LIABILITIES, UNTAXED RESERVES AND EQUITY	3 417 876	3 396 162	2 918 833
¹⁾ Private and SME deposits covered by deposit guarantee	249 688	244 644	247 578
Private and SME deposits not covered by deposit guarantee	155 450	151 664	156 667
All other deposits	1 332 313	1 275 904	991 784
Total deposits from the public	1 737 451	1 672 212	1 396 028

Pledged assets and obligations

SEK m	30 Jun 2024	31 Mar 2024	31 Dec 2023
Pledged assets for own liabilities	663 779	672 192	663 643
Other pledged assets	132 978	107 796	68 546
Pledged assets	796 757	779 988	732 188
Contingent liabilities	185 077	193 697	190 120
Commitments	838 099	847 237	836 788
Obligations	1 023 176	1 040 935	1 026 908

Capital adequacy

Capital adequacy analysis

SEK m	30 Jun 2024	31 Mar 2024	31 Dec 2023
Available own funds and total risk exposure amount			
Common Equity Tier 1 (CET1) capital	145 132	148 533	137 213
Tier 1 capital	159 682	163 491	151 257
Total capital ¹⁾	180 492	184 741	166 656
Total risk exposure amount (TREA)	828 026	834 361	802 153
Capital ratios and minimum capital requirement (as a percentage of TREA)			
Common Equity Tier 1 ratio (%)	17.5%	17.8%	17.1%
Tier 1 ratio (%)	19.3%	19.6%	18.9%
Total capital ratio (%) ¹⁾	21.8%	22.1%	20.8%
Pillar 1 minimum capital requirement (% P1)	8.0%	8.0%	8.0%
Pillar 1 minimum capital requirement (amounts)	66 242	66 749	64 172
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)	1.6%	1.6%	1.6%
of which: to be made up of CET1 capital (percentage points)	1.1%	1.1%	1.1%
of which: to be made up of Tier 1 capital (percentage points)	1.2%	1.2%	1.2%
Total SREP own funds requirements (% P1+P2R)	9.6%	9.6%	9.6%
Total SREP own funds requirements (amounts)	79 192	79 798	76 718
Additional CET1 buffer requirements and CET1 Pillar 2 Guidance (as a percentage of TREA)			
Capital conservation buffer (%)	2.5%	2.5%	2.5%
Institution specific countercyclical capital buffer (%)	1.6%	1.6%	1.6%
Systemic risk buffer (%)	0.0%	0.0%	0.0%
Other Systemically Important Institution buffer (%)	0.0%	0.0%	0.0%
Combined buffer requirement (% CBR)	4.1%	4.1%	4.1%
Combined buffer requirement (amounts)	34 072	34 088	32 847
Overall capital requirements (% P1+P2R+CBR)	13.7%	13.6%	13.7%
Overall capital requirements (amounts)	113 264	113 886	109 565
CET1 available after meeting the total SREP own funds requirements (% P1+P2R)	12.0%	12.2%	11.2%
Pillar 2 Guidance (% P2G)	0.0%	0.0%	0.0%
Pillar 2 Guidance (amounts)	0	0	0
Overall capital requirements and P2G (%)	13.7%	13.6%	13.7%
Overall capital requirements and P2G (amounts)	113 264	113 886	109 565
Leverage ratio, requirements and CET1 Pillar 2 Guidance (as a percentage of total exposure measure)			
Tier 1 capital (amounts)	159 682	163 491	151 257
Leverage ratio total exposure measure (amounts)	3 747 319	3 711 785	3 118 996
Leverage ratio (%)	4.3%	4.4%	4.8%
Total SREP leverage ratio requirements (%)	3.0%	3.0%	3.0%
Overall leverage ratio requirements (%)	3.0%	3.0%	3.0%
Overall leverage ratio requirements (amounts)	112 420	111 354	93 570
Pillar 2 Guidance (% P2G)	0.0%	0.0%	0.0%
Pillar 2 Guidance (amounts)	0	0	0
Overall leverage ratio requirements and P2G (%)	3.0%	3.0%	3.0%
Overall leverage ratio requirements and P2G (amounts)	112 420	111 354	93 570

1) Comparative figure for Q1 2024 has been adjusted.

Own funds

SEK m	30 Jun 2024	31 Mar 2024	31 Dec 2023
Shareholders equity according to balance sheet ¹⁾	165 436	160 704	171 250
Accrued dividend	-9 239	-4 573	-23 838
Reversal of holdings of own CET1 instruments	4 236	7 605	5 179
Common Equity Tier 1 capital before regulatory adjustments	160 434	163 736	152 591
Additional value adjustments	-1 363	-1 375	-1 285
Goodwill	-3 358	-3 358	-3 358
Intangible assets	-958	-879	-1 058
Fair value reserves related to gains or losses on cash flow hedges	7	4	-14
Insufficient coverage for non-performing exposures	-45	-86	-97
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-522	-505	-575
Direct and indirect holdings of own CET1 instruments	-9 063	-9 004	-8 992
Total regulatory adjustments to Common Equity Tier 1	-15 302	-15 203	-15 378
Common Equity Tier 1 capital	145 132	148 533	137 213
Additional Tier 1 instruments	14 551	14 958	14 045
Tier 1 capital	159 682	163 491	151 257
Tier 2 instruments ²⁾	21 065	21 266	15 109
Net provisioning amount for IRB-reported exposures ³⁾	945	1 184	1 489
Holdings of Tier 2 instruments in financial sector entities	-1 200	-1 200	-1 200
Tier 2 capital	20 810	21 250	15 399
Total own funds	180 492	184 741	166 656

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

2) In the first quarter SEB issued an Additional Tier 2 instrument of EUR 500m, which is included in the bank's own funds as of the first quarter 2024.

3) Comparative figure for Q1 2024 has been adjusted due to correction.

Risk exposure amount

SEK m	30 Jun 2024		31 Mar 2024		31 Dec 2023	
	<u>Risk exposure amount</u>	<u>Own funds requirement¹⁾</u>	<u>Risk exposure amount</u>	<u>Own funds requirement¹⁾</u>	<u>Risk exposure amount</u>	<u>Own funds requirement¹⁾</u>
Credit risk IRB approach						
Exposures to central governments or central banks	12 094	967	11 784	943	8 509	681
Exposures to institutions	62 510	5 001	59 935	4 795	56 455	4 516
Exposures to corporates	350 997	28 080	361 027	28 882	347 684	27 815
Retail exposures	46 955	3 756	47 151	3 772	46 799	3 744
of which secured by immovable property	37 630	3 010	37 197	2 976	36 928	2 954
of which retail SME	2 605	208	2 890	231	2 680	214
of which other retail exposures	6 720	538	7 065	565	7 191	575
Securitisation positions	2 613	209	2 675	214	2 597	208
Total IRB approach	475 169	38 014	482 572	38 606	462 044	36 964
Credit risk standardised approach						
Exposures to central governments or central banks						
Exposures to administrative bodies and non-commercial undertakings	793	63	715	57	711	57
Exposures to institutions	13 583	1 087	13 063	1 045	11 880	950
Exposures to corporates	3 145	252	3 348	268	3 224	258
Retail exposures	8 873	710	8 868	709	8 719	697
Exposures secured by mortgages on immovable property	2 067	165	1 937	155	1 872	150
Exposures in default	68	5	122	10	121	10
Exposures associated with particularly high risk	773	62	515	41	397	32
Exposures in the form of collective investment undertakings (CIU)	467	37	481	38	458	37
Equity exposures	57 088	4 567	55 048	4 404	52 951	4 236
Other items	5 041	403	3 926	314	2 929	234
Total standardised approach	91 900	7 352	88 023	7 042	83 263	6 661
Market risk						
Trading book exposures where internal models are applied	18 772	1 502	20 335	1 627	19 375	1 550
Trading book exposures applying standardised approaches	7 718	617	7 375	590	5 540	443
Total market risk	26 490	2 119	27 710	2 217	24 915	1 993
Other own funds requirements						
Operational risk advanced measurement approach	42 697	3 416	42 724	3 418	41 628	3 330
Settlement risk	1	0	15	1	0	0
Credit value adjustment	9 553	764	11 747	940	10 403	832
Investment in insurance business	26 951	2 156	25 991	2 079	25 155	2 012
Other exposures	754	60	819	66	516	41
Additional risk exposure amount, Article 458 CRR ²⁾	154 512	12 361	154 760	12 381	154 229	12 338
Total other own funds requirements	234 467	18 757	236 055	18 884	231 931	18 554
Total	828 026	66 242	834 361	66 749	802 153	64 172

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 the third quarter 2021 for risk-weight floors in the Norwegian mortgage portfolio as well as for Norwegian corporate exposures collateralised by immovable property. As from the third quarter 2023 the capital requirements for risk weight floors on exposures secured by commercial real estate in Sweden was moved from Pillar 2 to Pillar 1.

Average risk weight

IRB reported credit exposures (less repos and securities lending)

Average risk-weight	30 Jun 2024	31 Mar 2024	31 Dec 2023
Exposures to central governments or central banks	1.4%	1.5%	1.6%
Exposures to institutions	22.1%	21.0%	20.8%
Exposures to corporates	25.6%	25.6%	25.5%
Retail exposures	7.9%	8.0%	7.9%
of which secured by immovable property	6.6%	6.6%	6.5%
of which retail SME	40.8%	42.0%	41.8%
of which other retail exposures	39.9%	40.5%	41.1%
Securitisation positions	16.9%	16.7%	16.7%

Signatures of the President and the Board of Directors

The President and the Board of Directors declare that this financial report for the period 1 January 2024 through 30 June 2024 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 16 July 2024

Marcus Wallenberg
Chair

Sven Nyman
Vice chair

Jacob Aarup-Andersen
Director

Signhild Arnegård Hansen
Director

Anne-Catherine Berner
Director

John Flint
Director

Winnie Fok
Director

Svein Tore Holsether
Director

Lars Ottersgård
Director

Helena Saxon
Director

Anna-Karin Glimström
*Director**

Marika Ottander
*Director**

Johan Torgeby
President and Chief Executive Officer

**Appointed by the employees*

THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

Review report

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

Introduction

We have reviewed the condensed financial report for Skandinaviska Enskilda Banken AB (publ) as of June 30, 2024 and for the six-month period ending as at this date, which can be found on page 5–12 and 15–50 in this document, containing income statement, statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flow, notes and other condensed information in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies. The Board of Directors, the President and the Chief Executive Officer are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

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

Conclusion

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

Stockholm, 16 July 2024

Ernst & Young AB

Hamish Mabon
Authorized Public Accountant

Contacts and calendar

SEB's result for the second quarter 2024

On Tuesday 16 July 2024, at approximately 06:30 CET, SEB's results for the second quarter 2024 will be announced. In addition, presentations and the Fact Book will be available on sebgroup.com/ir. You are invited to participate in the following event:

Telephone conference

Tuesday 16 July 2024 at 08:30 CET.

Johan Torgeby, SEB's President and CEO, and Masih Yazdi, CFO, will present the results, 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 sign up and register here:

register.vevent.com/register/Blfa8c36edc52d4fba39c97f974af37d

Media interviews

Media can follow the presentation live on sebgroup.com/ir, where it also will be available afterwards. 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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Pawel Wyszynski, Head of Investor Relations

Tel: +46 70 462 21 11

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SE-106 40 Stockholm, Sweden

Tel: +46 771 621 000

sebgroup.com

Corporate organisation number: 502032-9081

Further financial information is available in SEB's Fact Book and in the additional Pillar 3 disclosures which are published quarterly on sebgroup.com/ir

Financial information calendar 2024

24 October 2024

Third quarterly report 2024

Silent period starts 1 October 2024

The financial information calendar for 2025 will be published in conjunction with the Quarterly Report for January-September 2024.

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 average 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 average shareholders' equity.

Return on business equity

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

Return on total assets

Net profit attributable to shareholders, in relation to average total assets.

Return on risk exposure amount

Net profit attributable to shareholders in relation to average risk exposure amount.

Cost/income ratio

Total operating expenses in relation to total operating income.

Basic earnings per share

Net profit attributable to shareholders in relation to the weighted average number of shares outstanding before dilution.

Diluted earnings per share

Net profit attributable to shareholders in relation to the weighted average diluted number of shares, adjusted for the dilution effect of potential shares in the long-term equity-based programmes.

Net worth per share

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

Equity per share

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

Expected credit losses, ECL

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

ECL allowances

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

Net ECL level

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

ECL coverage ratio

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

Stage 3 loans / Total loans, gross

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

Stage 3 loans / Total loans, net

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

The Excel file Alternative Performance Measures, available on sebgrou.com/ir, provides information on how the measures are calculated.

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.

Definitions, cont.

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.

Divisions of the SEB Group

Large Corporates & Financial Institutions

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

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.

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.

Baltic

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

Life

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

Asset 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 and other institutes.

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 1.3 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 18,000 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