Chairman of the Board's address at SEB's Annual General Meeting 2013

Dear shareholders

The Board's work continues to be intense.

As liquidity providers, banks are society's financial bloodstream. We immediately feel disturbance in circulation created by actual or anticipated storm clouds when the risk thermometer goes up one degree.

So do our customers.

We therefore see it as essential that we, by continuing to put customers at the center, also provide security for their capital and liquidity supply, manage their cash flows, and assist with risk management and proactive advice.

For although SEB's financial strength remains strong, and the Swedish banking system is robust and well-capitalised, we see, as I mentioned in my introduction, that road conditions are not risk-free. Just the last few days, we have seen renewed concerns, this time due to the crisis package for Cyprus.

There is a fragile stabilisation of the world economy, and a stabilisation that has continued to depend on foreign central banks' liquidity measures in Europe, especially from the ECB's unlimited liquidity support. These measures have been necessary to calm financial markets.

In the past year, we have also received a number of sought-after decisions on the design of new regulations that banks will work with going forward. Not all puzzle pieces are in place, but more are so now than before. It is clear that for its larger banks, Sweden will introduce some of the most stringent regulations in the world.

We remain concerned about the abundance of details, and that we do not have a common playing field in Europe.

So, it is against this background that the Bank's management has worked through the coming year's business plan, based on the opportunities and threats they see ahead. They have tested the plan for stressed scenarios and have quantified potential impact.

Together with management, we on the Board have discussed the business plan and can state that the Bank has a very robust financial position.

The Bank's Board of Directors has the overall responsibility for operations and decides on the nature and direction of the business, the strategy and the framework and targets.

I want to highlight some important building blocks for how we view the situation for SEB going forward.

1. SEB has good earnings capacity, and through a strengthened market position in our home markets, that capacity will continue to be strengthened.

2. SEB has a clear strategy that is focused in terms of customer segment and geography.

3. SEB has a continued high and robust credit quality in its loan portfolio.

4. SEB today meets regulatory requirements that are placed on banks internationally, the so-called Basel III rules, as well as the requirements assigned to Swedish banks through an earlier and more rigorous

introduction in Sweden. The Bank has also already adapted to the new principles with regard to pension accounting.

It is against this background that the Board and management have clarified SEB's financial goals.

Our aim is:
- To pay an annual dividend of 40 per cent or more of earnings per share,
- To maintain a core tier one capital ratio under Basel III at 13 per cent, and
- To generate a competitive return.

This means that over time, we strive to achieve a return on equity of 15 per cent.

We believe that a clarification of the financial goals creates greater transparency vis-à-vis your shareholders and your expectations for SEB.

A long-term goal of reaching 15 per cent return on equity should be framed in a context, including partly that strong, profitable banks enjoy strong confidence from financial markets, which allow liquidity and capital improvements for the Bank's customers, and partly that it has to be attractive to savers and investors to not only choose which bank shares to invest in but to own bank shares at all.

Our profitability target means firstly that we clearly state that owners of SEB should expect a competitive return, i.e. a profitability that is in line with our competitors.

The revised dividend policy should be seen as a strong intention from the Board to give a good yield on the bank's shares. But this must always be weighed against economic circumstances and never compromise the Bank's continued financial strength.

The new policy reflects the bank's stable financial position and good earnings capacity, and sets a minimum level of 40 per cent of earnings per share each year.

The Board also strives to create dividend growth over time.

It is against this backdrop that the Board believes that the dividend proposal - an increase of 1 Swedish krona to 2.75 Swedish kronor per share - is well balanced, taking into account the requirements of the nature of the business, the scope and the risks placed on the size equity capital, as well as the company's balance sheet, liquidity and financial position.

SEB is, as said previously, well capitalised and has good earnings capacity. Therefore, it is a good time to define the financial targets. This has been one of several main tasks of the Board during the year.

The Board follows the Board-approved rules governing our role and way of working as well as special instructions for the Board’s committees: the Risk and Capital Committee, the Audit and Compliance Committee, and the Remuneration Committee. The committees prepare certain questions to be decided by the Board.

One such issue is that the Board has the responsibility to propose meeting guidelines for compensation to the members of the Group Exectuvie Committe Directors.

And as you have seen in the AGM documentation, the proposal is consistent in all essential respects with the guidelines the AGM agreed a year ago: base salary, long-term equity-based compensation, and pension and other benefits.

We will today also decide on the Board's proposed long-term equity-based programmes. As you have seen in the AGM documentation, it is in all essential respects the same structure as in previous years.

From the Board's side, we emphasise long-term, private share ownership, and clear performance. A clear example of this is the proposed SEB Share Deferral Programme, which extends as far as ten years.

One change is that we suggest our collective Share Savings Programme be replaced by the All Employee Programme, a profit-sharing programme.

To highlight all the complex questions that constitute a bank's operations in a multifaceted way, a board with a broad range of skills is needed.

I would therefore like to conclude by thanking my colleagues on the Board for the past year.

I would also, on behalf of the entire Board, offer a sincere thank you to the Bank's management, with CEO Annika Falkengren at the forefront.

Together, under Annika's leadership, they have through their hard work and wise actions acted so that the Bank has shown a profit quarter after quarter during this protracted period of unrest and challenges in the global economy.

SEB currently has a position of strength, supported by a strong balance sheet.

Thank you!