

SEB's Annual General Meeting 2019

Address by Chair of the Board Marcus Wallenberg

Dear shareholders,

The past few months have been a period of trials and tribulations. It has been a difficult time for many people and companies – and for society as a whole. At SEB, our thoughts are with all those who have been affected. I hope we will soon see brighter times.

SEB is today holding its Annual General Meeting, which in 2020 is being held in a somewhat different format compared with previous years. The spread of the corona virus means that we cannot meet the way we usually do.

But I would still like to take the opportunity to say a few words in this way. To describe what has characterised the past year for SEB. Say a few words about how the Board of Directors has conducted its work, and the bank's responsibility to prevent being exploited for financial crime. I also want to discuss events in the world around us that affect the bank and our customers.

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The spring of 2020 will be remembered in history as one of the most extraordinary in modern time. The new situation that Sweden and the world finds itself in is placing tough demands on all of us. As a bank, our responsibility in a crisis is particularly clear. When society is being tested, we need to stand strong.

SEB has existed for more than 160 years. That means that we have been through crises before. Supported our customers, and together with them made it through ups and downs. In both good times and bad times.

With the financial strength that SEB has built over the years, we have a good starting point also in this crisis. 2019 was a good year for the bank. With a strong result and increased customer satisfaction. And with stability and capacity to meet our customers' need for capital and

liquidity. In addition, we have for a long time strived to have a sound risk culture, which is at the very heart of good business acumen and necessary for a bank.

All of this has created the foundation that allowed us to be well equipped and well prepared also in this crisis. To continue to support our customers and take on the challenges that arise.

The banks' employees have during this time showed great dedication and expertise. By being there to provide advice to the bank's customers and actively supporting people and companies as well as society at large. By extension, that also creates long-term value for the bank's shareholders.

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In times of crises it becomes particularly evident that we need each other. The crisis hits broadly. Against all of society. And against the economy of both Sweden and the rest of the world.

If there is anything that we, as a society, should have learned from previous crises, it is the importance of cooperation. In a global pandemic, this is not just about cooperation within countries. It also becomes increasingly clear that we need cooperation internationally.

To prevent the spread of infection. But also, to reduce the economic effects of the crisis. Which have already become severe in many countries.

This is the reason why the protectionism that is gaining ground in large parts of the world is particularly worrisome. While such tendencies existed already before the corona crisis, they have intensified during the pandemic.

This is a development that can result in serious consequences with regards to both openness and democracy as well as enterprise and trade. Which are crucial for continued growth and a restart of the economy. Openness and multilateral trade constitute the very foundation of our societies.

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I would now like to say a few words about how the Board of Directors has worked during 2019. And I would like to begin with a topic that has very much been in focus in the financial sector – and that has also been high up on the Board’s agenda.

Namely the work against money laundering and financial crime.

As Chair of the Board of Directors of SEB, I would like to emphasise that we as a bank have a big responsibility to prevent, detect and report financial crime. But we’re at the same time also humbled by that challenge. We are constantly subjected to the risks of being exploited, and therefore constantly develop our abilities.

Last week, the Swedish Financial Supervisory Authority presented its decision following its supervisory review of SEB’s routines and processes with regards to the regulatory frameworks that govern anti-money laundering in the Baltics.

We are now analysing that decision to revert with the bank’s view. However, I want to state that our intention is and has always been to adhere to the increasingly strict regulations. And SEB’s own high standard for corporate governance and compliance.

I would like to stay with this topic and highlight the way that I and the Board view these matters. And I would like to start by going back a few years in time. To when SEB acquired the Baltic subsidiaries in the beginning of the 2000s.

Back then, Estonia, Latvia and Lithuania had just gained their independence from the former Soviet Union. There was a need for a balanced and stable development towards democratic market economies.

Together with other Nordic banks, we have had an important role in supporting the Baltic states in this transformation. SEB has consistently taken business decisions based on a strategy grounded in supporting

balanced growth in the Baltic countries through our wholly owned subsidiary banks. We believe that our presence and our actions in the Baltics have contributed to the positive development in these countries.

We want to take responsibility, and we take responsibility. And we of course want to live up to the authorities' expectations of us in all countries where we operate. It is of high importance for the Board, together with the bank's management, to have good governance, risk management and control of all parts of SEB's operations.

At the same time, one can conclude that the expectations constantly change. As criminal actions become increasingly sophisticated, regulations are tightened. We are dealing with a moving target. We must therefore also continuously develop our abilities. That work is always ongoing.

We continue to invest in both competence and in artificial intelligence and other technology. So that we can further improve our abilities to evaluate risks. Monitor transactions. And detect suspected activity.

It is ultimately a question about trust. For SEB, our long-term relationships with our customers and shareholders constitute the very foundation of our business. That we have their trust is crucial. And we do everything we can to cherish that trust.

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The Board's work is conducted in accordance with the Rules of Procedure that are adopted by the Board. It regulates our role and ways of working, and provides special instructions for the Board's committees, which are the Risk and Capital Committee, the Audit and Compliance Committee, and the Remuneration and Human Resources Committee.

We held 14 Board meetings during 2019. In addition, the committees that conduct preparatory work for specific matters for decision by the Board met on another 33 occasions.

The bank's work against money laundering has been a recurring item on the Board's agenda. Among other issues, we have also discussed the bank's long-term strategy and business plans. They have a wide approach, but some examples of the areas included are sustainability and the digital development. The Board has also made a visit in Silicon Valley in the United States, to learn more about artificial intelligence, the use of data, and new technology.

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One such matter that was prepared in the Remuneration and Human Resources Committee concerned remuneration for the members of the Group Executive Committee as well as long-term incentive programmes.

On the part of the Board, we stress long-termism, personal shareholdings and clear performance that is evaluated on the basis of financial and non-financial targets. Long-term commitment and a personal shareholding in SEB among employees create sustainable value both for customers and the shareholders.

For nearly twenty years, as part of the total remuneration package, we have therefore offered the members of the Group Executive Committee, senior managers and key employees the opportunity to participate in this type of long-term equity-based programme. During the last eleven years a similar opportunity has also been extended to all of the bank's employees.

The Board has also proposed updated guidelines for salary and other remuneration for the Chief Executive Officer and members of the Group Executive Committee. These guidelines have been updated to fulfil the new rules in the Swedish Companies Act and the Swedish code for corporate governance and are proposed to apply for four years.

These changes mainly concern transparency and further information. In practice, they have not changed the bank's remuneration models.

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Let me also comment on the Board's proposal regarding dividend.

SEB has a strong liquidity position and a solid capital buffer. We are now fully using that strength to support the bank's customers. Thereby, we also create long-term value for you, our shareholders.

Because of the effects of the Covid-19 pandemic, we have low visibility of the economic development. And we must be able to use our financial situation for our customers' needs. That is why the Board, as we have previously communicated, decided to propose to the Annual General Meeting that no dividend payment shall be made at this point in time.

The Board recognises the importance of dividends for the bank's shareholders. And I regret that no such dividend payment is possible for the time being.

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Last, I want to direct a big and warm thank you to CEO Johan Torgeby, to the bank's management, and to all 15,000 employees who work every day – in good times and in bad times, to support our customers. Both in Sweden and in all other markets where we operate.

The Board realises that last year and the start of this year have been very challenging. We are grateful and happy for all the work that is being done by the bank's very dedicated and competent employees.

And to you, dear shareholders, I want to end on a hopeful note. With a wish for brighter times ahead. And a happy summer.

I also hope that we will be able to meet during more normal circumstances when it is time for the next Annual General Meeting.

Thank you.