Item 18 a) – b)

The Board of Directors' of Skandinaviska Enskilda Banken AB (publ) proposal for decision at the Annual General Meeting on 25 March 2015 on Long-term Equity Programmes for 2015

Background

SEB aims to be an attractive employer who can attract and retain the most qualified and committed employees in the markets where SEB operates. Good performance and sound behaviour is rewarded. SEB's remuneration supports an appropriate professional approach and balanced risk taking, for the benefit of the customers and the shareholders.

Equity-based remuneration is a means to attract and retain staff with key competences in SEB. It is also an incentive for the employees to become shareholders of SEB and builds and strengthens long-term commitment in the interests of the shareholders. Furthermore, regulatory requirements for financial institutions demand that variable remuneration to a large extent is paid out in equity or equity-related instruments.

SEB first introduced long-term equity programmes in 1999. Information about the programmes has been provided in the annual reports and at the Annual General Meetings. The scope of the outstanding programmes can be found in the Annual Report 2014.

Long-term Equity Programmes 2015

The programmes are evaluated on a continuous basis throughout the year by the Remuneration and Human Resources Committee of the Board (RemCo). RemCo also monitors the employees' participation in the programmes.

Based on the evaluation and discussions with major shareholders in SEB, it is proposed that the Annual General Meeting resolves on two long-term equity programmes for 2015 in all material respects similar to previous year;

a) An SEB All Employee Programme (AEP) for all employees in most of the countries where SEB operates similar to previous year's programme and
b) An SEB Share Deferral Programme (SDP) for the Group Executive Committee (GEC), certain other senior managers with critical competences and a broadened number of other key employees.

To increase simplicity further no new Share Matching Programme is proposed.

The proposed programmes allow for risk adjustment for current as well as future risks. The final outcome may therefore be cancelled partly or entirely in accordance with regulations, among other things taking the Bank's result and capital and liquidity required in the business into account.

The preparation of the proposal

The proposal has been prepared by the Board of Directors and RemCo. The Board's and RemCo's view is that the proposal strikes an appropriate balance between motivating the employees and achieving a long-term, well-balanced and competitive remuneration.

SEB All Employee Programme (AEP) 2015 (18 a)

SEB All Employee Programme 2015 is a programme for all employees in most of the countries where SEB operates. 50 per cent of the outcome is paid in cash and 50 per cent is deferred for three years and paid in SEB A-shares in Sweden and in cash adjusted for TSR outside of Sweden. The shares/cash deferral will normally be lost if the employee leaves SEB before the end of the three year period. The individual maximum allotment is capped (in Sweden at SEK 55,000) and the outcome is based on the fulfilment of pre-determined Group targets according to business plan, the financial target return on equity, cost development and the non-financial target customer satisfaction. Outcome is subject to a proposal at the Annual General Meeting 2016 on dividend to the shareholders for 2015. Should the total outcome under the programme be below approximately 20 per cent of the maximum outcome, the total outcome may be paid in cash without deferral.

The programme is proposed to comprise an obligation for the Bank to deliver a maximum of approximately 3.8 million shares. The expected outcome for the programme is approximately 1.7 million shares.

SEB Share Deferral Programme (SDP) 2015 (18 b)

The GEC and certain other senior managers with critical competences and a broadened number of other key employees, approximately 2,000 participants in total, are granted an individual number of conditional share rights based on the fulfilment of pre-determined Group, business unit and individual target levels outlined in SEB's business plan. The targets are set on an annual basis as a mix of the financial target Return on Equity/Return on Business Equity, cost development as well as on customer satisfaction and parameters such as compliance and risk. For GEC the initial allotment may not exceed 100 per cent of the base pay.

For senior managers ownership of 50 per cent of the share rights are transferred to the participant after a qualification period of three years, 50 per cent after a qualification period of five years. For other participants ownership of the share rights are transferred after three years. After each respective qualification period there is an additional holding period of one year after which the share rights can be exercised during a period of three years. Each share right carries the right to receive one Class A-share in the Bank.

For participants outside of Sweden the outcome is deferred and paid in cash adjusted for TSR. 50 per cent of the deferred amount is paid out after four years and 50 per cent after six years for senior managers. For other participants outside of Sweden the deferred amount is paid out after four years.

There is a requirement for vesting that the participant remains with SEB during the first three years. A further requirement is that the participant holds shares in SEB equal to a pre-determined amount, for GEC equivalent to one year salary net of taxes, acquired no later than during the initial three year vesting period.

The holders are compensated for dividends to the shareholders during the duration of the programme. Thus, the number of share rights/the deferred amount will be recalculated, after the Annual General Meeting each year, taking the dividend into account.

The programme is proposed to comprise an obligation for the Bank to deliver a maximum of approximately 7.5 million shares.

Allotment under the programmes

The maximum number of shares that can be transferred under the programmes is 11.2 million. The calculated expected outcome is approximately 8.0 million shares. The maximum number of shares under the programmes equals approximately 0.51 per cent including and 0.34 per cent excluding the SEB All Employee Programme (expected outcome equals approximately 0.36 per cent including and 0.29 per cent excluding the SEB All Employee Programme) of the total number of shares in the Bank. The delivery of Class A-shares is proposed to be effectuated with existing shares. Allotment under the programmes shall be made before the 2016 Annual General Meeting.

The number of shares which each participant may receive in the programmes may be subject to recalculation under the terms and conditions of the programmes as a consequence of AGM decisions on issues of bonus shares to shareholders, splits, preferential issues and similar measures.

Participation in the programmes requires that it is legally and appropriately possible in the jurisdiction concerned and that such participation in the Bank's judgement is possible with reasonable administrative and financial costs.

Shares received and purchased under the programmes are ordinary SEB Class A-shares with the right to a dividend. The share rights are not securities that can be sold, pledged or transferred to others.

General

Before final outcome is determined, the Board, or if the Board so decides RemCo, shall examine whether the outcome inter alia from a risk perspective is reasonable considering SEB's financial results and position, the conditions on the stock market, conditions related to the participant and other circumstances such as changes in accounting principles, and if not, as determined by the Board and within the limit of the total programme, change the outcome to a number deemed appropriate. The outcome may be set to zero. Any change shall be communicated in connection with SEB's first financial report following the decision.

The Board, or if it so decides RemCo, is authorised to decide on the detailed terms and conditions for the programmes based on the aforementioned principles. The aggregate total maximum number of shares under the programmes may be distributed between the programmes as decided by the Board or RemCo. The Board or RemCo is also authorised to make changes to the programmes from time to time if so deemed advisable and provided that the programmes following such changes are within the limits of the maximum number of shares, the maximum number of shares as percentage of total number of shares and the calculated maximum costs for the programmes combined.

Taxation

The programmes have been designed in such a way that participants will normally be taxed for the benefit of receiving shares in the income year when the shares are received. The taxable value of the benefit will be equal to the closing price for the shares when the shares are received. The value of the benefit is taxed as income from employment for the participant. Thus, social security contributions will in most cases be charged on the benefit amount and be a cost for the employer.

The cost for the programmes

The *maximum* annual charge for the SDP that may affect the profit and loss account is SEK 307m, out of which SEK 71m is related to social charges. The annual charge to the profit and loss account for the *expected* calculated outcome under the programme is estimated to SEK 260m, out of which SEK 60m is related to social charges. The expected aggregated charge during the total programme period in the profit and loss account is SEK 780m.

The maximum calculated annual charge is based on the assumptions that the price of the SEB Class A-share is SEK 95 and that no participant is leaving SEB during the qualification period.

Furthermore, it should be noted that should the SEB share price increase from the assumed SEK 95 the increase in maximum calculated annual charge will be approximately SEK 3m for every SEK in increase. The part of the programmes that will be settled in cash will create a higher volatility in the Income statement since the change in the share price is reported when it occurs.

The *maximum* annual charge for the deferred part, i.e. shares and cash adjusted for TSR, of the AEP that may affect the profit and loss account is SEK 115m, out of which SEK 25m is related to social charges. The annual charge to the profit and loss account for the *expected* calculated outcome under the programme is estimated to SEK 50m, out of which SEK 11m is related to social charges. The expected aggregated charges during the total programme period in the profit and loss account are SEK 198m.

The expected annual charge in the profit and loss account for the two programmes is equivalent to approximately 2.2 per cent of the total annual staff costs in the SEB Group. The increase of total cost for the programmes, including the increase of number of participants in the SDP, is cost neutral compared to total staff costs 2014, since the costs for cash-based variable remuneration is decreasing.

Hedging and transfer of shares

The programmes lead to certain financial exposure for the Bank, due to market price changes for the SEB share. The aim is to hedge this exposure by the acquisition of own shares (item 19 b on the agenda for the Annual General Meeting) or by equity swap contracts with third parties. The social security contribution is not hedged. Based on the current interest level, it is estimated that the annual interest expense for the hedging arrangement for the programmes will amount to approximately SEK 6m.

There are different methods for effectuating the transfer of shares to the participants under the programmes, such as delivery of own shares and an agreement with a third party under which the third party transfers shares to the participants under the programmes. The Board of Directors considers delivery of own shares as the most cost efficient and flexible method. Therefore this is the main alternative (item 19 c on the agenda for the Annual General Meeting).

Proposed decision concerning Long-term Equity Programmes for 2015 (item 18 a – b on the agenda)

The Board proposes that the Annual General Meeting decides on long-term equity programmes for 2015 based on the scope and main guidelines referred to above in the form of:

a) SEB All Employee Programme (AEP) 2015 for all employees in most of the countries where SEB operates and
b) SEB Share Deferral Programme (SDP) 2015 for the Group Executive Committee, certain other senior managers with critical competences and a broadened number of other key employees.

There is a requirement for resolutions to be passed in accordance with the Board's proposals that the resolutions of the Annual General Meeting are supported by shareholders representing more than half of the votes cast.

Stockholm in February 2015

Skandinaviska Enskilda Banken AB (publ)

THE BOARD OF DIRECTORS