Thank you Mr Chairman.

Ladies and gentlemen, within SEB we have long since had a clear remuneration philosophy that is based on the idea that what is best for the bank's customers in the long term is also best for you, the shareholders, in the long term.

Our remuneration structure therefore reflects the culture that SEB is characterised by:

A sound and dynamic culture that promotes balanced risk-taking and good performance.

Remuneration is adapted to the particular individual's competence and performance as well as to the business and the market in which the individual works.

The Board members are fully convinced that a remuneration system that contains a variable component makes SEB an attractive employer for the best talent in our industry.

Furthermore, the bank's fixed cost base can be maintained at a lower level than if we only had fixed salaries.

Over the year, international discussions within the frameworks of the G20 and the EU have resulted in a series of national regulations for remuneration policies and the payment of variable remuneration within financial institutes.

Here in Sweden, the Swedish Financial Supervisory Authority, Finansinspektionen, passed a resolution in February on new rules that began to apply from 1 March this year. These rules regulate how financial institutions should measure, manage and report remuneration.

Companies must also define employees who are able to exercise a significant influence on the risk level.

SEB naturally follows the regulations on remuneration in each market in which we operate. The bank's accounts in accordance with the Swedish regulations are also presented on our website.

Today we will decide on the guidelines for remuneration for the Chief Executive Officer and the other members of the Group Executive Committee, as well as the Board's proposal for two long-term equity-based programmes.

Before we do that, let me first also comment on the follow-up and evaluation that the board has carried out regarding…

…the guidelines we decided upon here one year ago…

…the board's evaluation of the programmes for variable remuneration…

…as well as the remuneration structure and remuneration levels.

The Board's Remuneration & Human Resources Committee continuously evaluates guidelines and remuneration levels for the bank's Group Executive Committee. We do this by gathering information from within and outside the bank, including from the bank's external auditors. Our brief assessment of the remuneration for the Chief Executive Officer and the other members of the Group Executive Committee is:

… that it provides a good balance between fixed and variable remuneration,

… that it motivates the particular individual to perform well on a long-term basis

…and that it provides compensation in a balanced and competitive way.

In autumn 2010, we also evaluated the structure for long-term equity-based programmes for the past three years.

This evaluation is based on interviews with shareholders, Board members, the Group Executive Committee, trade union representatives and external specialists.

Giving a brief summary of the result – which can also be found in the material you received before the annual general meeting –

…the equity-based programmes are in line with the shareholders' interests and they constitute an important factor in attracting and keeping employees.

<u>On to the board's proposals</u>
Item 17 concerns guidelines for remuneration for the Chief Executive Officer and the other members of the Group Executive Committee. The proposal is in accordance with the guidelines that the Annual General Meeting approved one year ago in all respects.

Slide 1 – Remuneration components

The Board proposes that the remuneration is composed of three parts, as before:

- fixed salary
- long-term, equity-based remuneration
- and pension and other benefits

Together, these components will constitute competitive remuneration to recruit and retain the leading decision-makers that are best for our bank. As before, the bank's management team does not have any short-term cash variable remuneration.

On to *item 18,* which concerns the Board's proposal for long-term equity-based programmes for 2011.

Our assessment is that the programmes contribute well to attracting and retaining the best competence. They also reinforce mutual long-term commitment through the employees becoming shareholders in SEB and in doing so sharing in SEB's long-term success.

Earlier, I touched upon the evaluation that the Remuneration & Human Resources Committee had carried out regarding the programme structure that we have determined over the past three years. The programmes are regarded as being in line with the shareholders' interests, but it would be beneficial to make the programmes less complicated and therefore easier to grasp, from both the shareholder and employee perspectives.

The performance share programme in particular has been seen as complex.

To address the opinions about easier-to-understand programmes, we have therefore decided <u>not</u> to propose a new performance share programme for this year's Annual General Meeting. We propose instead two programmes that are built on the same basis – both are equity-based and both require investments by the individuals:

- A share savings programme
- A share matching programme.

The structure for these two programmes is the same as for 2010.

Slide 2 – Share savings programme

The share savings programme gives all employees the opportunity to become shareholders by investing up to 5 per cent of their salary in the bank. For each share saved, the employee receives an additional share after three years.

Today, about 65 per cent of our employees in Sweden – and about half of all bank employees – have chosen to participate in previous share savings programmes. The proposal is identical to the programme that the Annual General Meeting approved last year.

Slide 3 – Share matching programme 1(2)

The share matching programme covers about 500 leading decision-makers and employees who are of particular importance to SEB's business performance.

They are invited to participate in an expanded share savings programme with a higher investment – in most cases between 5 and 10 per cent of their basic salaries.

Those who participate in the share matching programme may not take part in the share savings programme at the same time.

The share matching programme is performance-based.

After three years, the individual receives a matching share for each share invested and in this respect the programme's platform is the same as for the share savings programme.

Picture 4 – Share matching programme 2(2)

In addition, participants receive a maximum of three matching shares if the predetermined performance demands have been fulfilled after three years. Members of the Group Executive Committee may receive a maximum of four matching shares.

Picture 5 – Performance criteria

On to the performance requirements.

The first performance requirement is that the bank's total shareholder returns must be at least as good as those of its competitors. And by competitors, that means 75 per cent of the Nordic banks and 25 per cent of European banks.

The second performance requirement is the bank’s total shareholder returns in relation to the long-term interest rate. Total shareholder returns must equate to at least the interest rate of a 10-year Swedish government bond plus 2 per cent per year.

For the full allocation, total shareholder returns must equate to both the long-term interest rate plus 11 per cent per year and must exceed competitors’ returns by 7 per cent per year.

Total return as performance criterion has the great advantage of being forward looking. This may mean that the measures that strengthen the bank's competitiveness may be seen directly in the stock price, but perhaps not for many years in the income statement. The disadvantage is that the share price is far from the employees' daily lives and it is also affected by other factors. The Board’s Remuneration & Human Resources Committee has therefore considered other performance criteria such as return on equity, also for the sake of future rule changes regarding capital requirements for banks. We have found that the time is not right for such a change.

As in previous years, there is a cap for the maximum value performance. However, this cap has been reduced so that it comes into play if the share price doubles. In return, there is a certain amount of protection should the share price fall after the cap has been reached for a period of over 30 days.

In accordance with the Swedish Financial Supervisory Authority’s regulations, the Board, or should it so decide, the Remuneration & Human Resources Committee, will…

… assess whether the yield is appropriate at the end of the three-year accrued period from a risk perspective as well as other perspectives.

The two programmes mean a full dilution of 0.8 per cent and a maximum annual cost of 280 million Swedish kronor for three years. This can be compared with the bank’s total staff costs of 14 billion Swedish kronor last year.

Slide 6 - Yield from previous years’ programmes

The Board wants the remuneration to be influenced by the bank’s long-term success.

The level of remuneration will be higher when the bank is successful and lower when it is performing less well.

Looking at the yields from previous years' programmes, the value has varied as you can see in this slide.

There was no value in the programmes from 2007 and 2008. The value was therefore 0 for participants because the performance requirements were not met.

At the beginning of the year, the expected yield for the 2009 programme was 50 per cent for the performance share programme and the full yield for the share matching programme.

The expected equivalent yields for last year's programme were 62 per cent and 42 per cent respectively at the beginning of the year. SEB's share price rose 27 per cent last year, which was more than for the comparable Nordic banks and, when compared with a falling index, ahead of European banks.

As the Board views it, the proposals for long-term equity-based programmes tie the bank's employees even closer to the business and the shareholders in that they reinforce the personal commitment to profitability and value performance.

There is therefore good alignment between the bank's success and remuneration for the management team and other participants.

I have both for this and last year's annual general meeting met with several representatives of large and small shareholders to discuss the board's proposals. I have received many comments and suggestions. Some we have already been able to include and others I take with me in continuing to develop the bank's long-term incentive programmes. I think it is good for both owners and participants with gradual changes.

Thank you