S|E|B

Item 19 a) – c)

The Board of Directors' of Skandinaviska Enskilda Banken AB (publ) proposal for decision at the Annual General Meeting on 29 March 2012 on Long-term Equity Programmes for 2012

Background

SEB's remuneration strategy promotes a sound and dynamic performance culture that encourages appropriate behaviour and balanced risk taking among employees for the benefit of the customers. The remuneration system also reflects sound risk management by taking into account the cost of capital employed and liquidity required.

Equity-based variable compensation is a means to attract and retain staff with the required competence and to build long-term commitment to SEB. The long-term equity programmes offer an opportunity to take part in SEB's long-term success and value creation and create an incentive for the employees to become shareholders of SEB.

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 programmes can be found in the Annual Report 2011.

Review and evaluation

The development of the programmes is evaluated on a continuous basis throughout the year and the expected outcome is reported and discussed quarterly. The Remuneration and Human Resources Committee 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 three long-term equity programmes for 2012;

a) a Share Savings Programme (SSP) for all employees in selected countries,
b) a Share Matching Programme (SMP) for selected senior managers and key employees, and
c) a Share Deferral Programme (SDP) for the President, the Group Executive Committee and certain other executive managers.

The aim is to as far as possible keep the previous structure although make the necessary changes to adapt to the new regulatory framework and meet stakeholders' interests of more transparent and less complex programmes.

The proposed SMP and SDP allow for risk adjustment for current as well as future risks and final outcome may therefore be cancelled partly or entirely in accordance with the Swedish Financial Supervisory Authority regulations, among others 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 the Remuneration and Human Resources Committee of the Board. The Board's and the Committee's view is that the proposal strikes an appropriate balance between motivating the employees and achieving a long-term, well-balanced and competitive compensation.

Share Savings Programme 2012 (19 a)

The programme is in total four years. The employees are offered to invest an amount corresponding to maximum five per cent of their gross base salary during a year and for the amount, at current price, purchase SEB Class A-shares. If the shares are retained for three years from the investment date and the participant remains with SEB during this time, the Bank will give the participant a corresponding number of SEB Class A-shares. The Programme is proposed to comprise an obligation for the Bank to deliver approximately 2.5 million shares.

Share Matching Programme 2012 (19 b)

Approximately 400 selected senior managers and key employees are offered to participate in an extended share savings programme with a higher own investment in SEB Class A-shares with the possibility to receive share rights and additional performance based share rights. The investment amount is pre-determined and capped for each participant and may be performed with cash or with previously owned shares. After the three year performance period the participants receive one share right and a maximum of three performance based share rights for each retained share. Each share right carries the right to receive one Class A-share in the Bank. A further requirement is that the participant remains with SEB during the performance period.

The Programme has a performance period of three years and an exercise period of four years.

To motivate participants to keep their share rights after the first day when they can be exercised, the holders are compensated for dividends to the shareholders during the exercise period. Thus, the number of share rights will be recalculated, after the Annual General Meeting each year during the exercise period, taking the dividend into account.

The outcome of the Programme, i.e. the number of performance based share rights received, depends on the extent of fulfilment of two pre-determined performance criteria.

Performance criteria
To reach full outcome of performance based share rights under the Programme, two performance criteria, TSR compared to SEB's competitors (1/3 of the total maximum outcome) and TSR compared to long-term interest rate (LTIR) (2/3 of the total maximum outcome), must be met:

1) The criterion **TSR compared to SEB's competitors** gives a minimum outcome if the TSR increase for SEB per year equals TSR for a weighted Banking Index. Competitors are weighted 75 per cent Nordic banks and 25 per cent FTSEurofirst300 Banks Index. The outcome is then set at 20 per cent of the maximum outcome under this criterion. Above that level, the number of performance based share rights increases with a linear distribution within the interval until a

ceiling of 7 per cent increase per year above the Banking Index is achieved. At that level the maximum outcome under this criterion is reached (1/3 of total maximum outcome). Performance is measured based on the average share price 1 January – 31 March 2012 compared to the average share price 1 January – 31 March 2015.

2) The criterion **TSR compared to LTIR** gives a minimum outcome if the TSR for SEB reaches LTIR + 2 per cent per year. The outcome is then set at 20 per cent of the maximum outcome under this criterion. Above that level, the number of performance based share rights increases with a linear distribution within the interval until a ceiling at a TSR increase of LTIR + 11 per cent per year is achieved. At that level the maximum outcome under this criterion is reached (2/3 of total maximum outcome). Performance is measured based on the average share price 1 January – 31 March 2012 compared to the average share price 1 January – 31 March 2015.

Participants in the SMP 2012 are not eligible to participate in the SSP 2012 or the SDP 2012.

Cap for the Share Matching Programme
The value of the SMP is capped at full vesting under the two performance criteria and a doubled share price based on a pre-determined initial share price.

If the share price at the time of vesting has more than doubled, the number of share rights and performance based share rights that are transferred to a participant will be reduced proportionately so that the value corresponds to the doubled share price capped value.

The Programme is proposed to comprise an obligation for the Bank to deliver a maximum of approximately 16 million shares. The expected outcome for the Programme is approximately 53 per cent.

Share Deferral Programme 2012 (19c)

The President, the Group Executive Committee and certain other executive managers, approximately 100 executives in total, are granted an individual number of share rights based on pre-determined Group and individual target levels. The targets are set on an annual basis and are both financial and non-financial.

50 per cent of the share rights are delivered to the participant after a vesting period of three years, 50 per cent after a vesting period of five years. There is a requirement for vesting that the participant remains with SEB during the first three years. A further requirement for vesting is that the participant holds shares in SEB equal to a pre-determined amount, acquired no later than on a pro-rata basis during the initial three year vesting period.

After each respective vesting 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.

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

Participants in the SDP 2012 are not eligible to participate in the SSP 2012 or the SMP 2012.

The Programme is proposed to comprise an obligation for the Bank to deliver a maximum of approximately 3.5 million shares.

Allotment under the three programmes

The maximum number of shares that can be transferred under the three programmes (excluding shares invested by the employees) is 22 million. The calculated expected outcome is approximately 14 million shares. The maximum number of shares under the programmes equals approximately 1.0 per cent (expected outcome equals 0.64 per cent) 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 2013 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 bonus issues 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 the final number of share rights and vested performance based share rights is finally determined, the Board, or if the Board so decides its Remuneration and Human Resources Committee, 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 its Remuneration and Human Resources Committee, 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 the Committee. The Board or the Committee 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 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 three programmes, calculated according to the below, that may affect the profit and loss account is SEK 289m. With the exception of social charges, calculated to SEK 90m, paid out when the programmes are utilised, the maximum calculated annual charge does not affect equity. The annual charge to the profit and loss account for the *expected* calculated outcome under the programmes is estimated to SEK 235m, out of which SEK 54m is related to social charges. The expected annual charge in the profit and loss account, SEK 235m, is equivalent to approximately 1.7 per cent of the total annual staff costs in the SEB Group.

The maximum calculated annual charge is based on the assumptions that;

- the price of the SEB Class A-share is SEK 45,
- no participant in any of the proposed programmes is leaving SEB during the vesting periods,
- the Share Matching Programme is fully vested from both criteria,
- the Share Deferral Programme is fully vested and
- the investments in the Share Savings Programme are on the same level as for 2011.

Furthermore, it should be noted that should the SEB share price increase from the assumed SEK 45 the increase in maximum calculated annual charge will be approximately SEK 6m for every SEK in increase.

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 20 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 20m.

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 20 c) on the agenda for the Annual General Meeting).

Proposed decision concerning Long-term Equity Programmes for 2012 (item 19 a) – c) on the agenda)

The Board proposes that the Annual General Meeting decides on long-term equity programmes for 2012 based on the scope and main guidelines referred to above in the form of:
a) a Share Savings Programme,
b) a Share Matching Programme and
c) a Share Deferral Programme.

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 2012

Skandinaviska Enskilda Banken AB (publ)

THE BOARD OF DIRECTORS