

Item 21 a)–d)**The Board of Directors' of Skandinaviska Enskilda Banken AB (publ) proposal for decision at the Annual General Meeting on 6 March 2009 concerning Long-term Incentive Programmes for 2009 and change regarding the 2008 Long-term Incentive Programmes**

Background

In order to attract and retain staff and build a long-term commitment to SEB among the participants, SEB includes **long-term incentive compensation programmes** as an important part of the total compensation. The long-term incentive programmes offer an opportunity to take part in SEB's long-term success and value creation and create an incentive for the participants to become shareholders of SEB. Long-term incentive programmes shall be share-based and, except for the all-employee Share Savings Programme, be performance-based.

SEB's first long-term incentive programme was introduced in 1999, after which additional programmes have been launched for the years 2000-2008. From 1999 to 2004 the long-term incentive consisted of employee stock option programmes. For the years 2005 – 2007 performance shares were used. For 2008 three different programmes were introduced; a Share Savings Programme, a Performance Share Programme and a Share Matching Programme. Information about the programmes has been provided in the annual reports and since 2002 at the Annual General Meetings.

As a result of the discussions with shareholders representing a significant share of the holdings in SEB, the Board has put forward the recommendation to the Annual General Meeting 2009 to resolve on long-term incentive programmes for 2009 in line with the 2008 programmes, however with some adjustments considering the present market conditions and financial circumstances.

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 and rewarding employees while at the same time responding to shareholders and other stakeholders' interest for competitive and well-balanced compensation.

2008 long-term incentive programmes

The Annual General Meeting 2008 decided on three different long-term incentive programmes for 2008; a Share Savings Programme, a Performance Share Programme and a Share Matching Programme, with a fixed maximum number of shares in each of these programmes.

The 2008 Share Savings Programme was well received by the employees with a participation rate of 33 per cent of all SEB Group employees. Due to the falling share price, the number of shares to be purchased under the Programme is expected to exceed the maximum number of shares decided by the Annual General Meeting 2008, 1,864,000 shares (which were calculated at an estimated share price of SEK 150).

The purpose with the Share Matching Programme 2008 was to support retention and increase commitment and motivation of a selected group of top performing individuals including the Group Executive Committee ("GEC") members. However, the performance criteria of this programme were set under vastly different financial circumstances than today and the programme will, if executed, not fulfil its retention purpose. The Board of Directors has therefore resolved to not implement the Share Matching Programme 2008.

The above referred means that the shares decided by the Annual General Meeting 2008

as pinpointed for the Share Matching Programme 2008 may instead, if so decided by the Annual General Meeting 2009, be delivered to the participants under the Share Savings Programme 2008. It is therefore proposed a change in the 2008 programmes in order to achieve that the aggregate total maximum number of shares under the 2008 programmes may be distributed between the programmes as decided by the Board.

Long-term Incentive Programmes 2009

Three different programmes

The proposed share based long-term incentive programmes for 2009 are, as for 2008, three different programmes with different aims and partly overlapping target groups:

- a Share Savings Programme for all employees,
- a Performance Share Programme for senior managers and key specialists and
- a Share Matching Programme for GEC and selected top performers.

All three Programmes are focused on shares and it is a requirement that the participants remain with SEB for a specified time. The Performance Share Programme and the Share Matching Programme are based on performance.

One out of two performance criteria for the Performance Share Programme 2008 and the performance criterion for the Share Matching Programme 2008 was increase in earnings per share ("EPS"). This criterion is, for the 2009 Performance Share and Share Matching Programmes proposed to be exchanged for a performance criterion measured as the total nominal shareholder return ("TSR") compared to the markets requirement for return based upon the rate of the Swedish 10 year government bond i.e. the long term risk free interest rate ("LTIR").

The change to a TSR criterion instead of an EPS criterion is an alignment of management incentives with the priorities of shareholders when they consider participating in the SEB

new share issue offering. TSR is driven by management's ability to protect earnings and apply sound risk management standards without destroying franchise value.

Share Savings Programme

The proposed Share Savings Programme is in line with the 2008 programme and is an all employee Programme designed to support "One SEB" and to create a long-term commitment to SEB and an incentive for the employees to become shareholders in SEB.

The employees are offered to, during a twelve month period from the implementation of the Programme, from their salary, save an amount corresponding to five per cent of gross base salary and for the amount, at current stock exchange price, purchase Class A-shares in the Bank. Purchases will be made during four periods, following the publication of the Bank's quarterly reports. If the shares are retained by the participant for three years from the investment date and the participant remains with SEB during this time, the Bank will give the participant one SEB share (Class A-share) for each retained share. The Programme is proposed to comprise an obligation for the Bank to deliver approximately 2,300,000 such shares.

Performance Share Programme

The aim with the proposed Performance Share Programme, which is in line with the 2008 programme, is to attract and retain senior managers and other key employees, to create a long-term commitment to SEB and to strengthen the overall perspective on SEB.

The Programme is based on Performance Shares. A Performance Share under the Programme is a conditional right to acquire one Class A-share in the Bank at a future date. The outcome of the Programme, i.e. the number of allotted performance shares that can be finally exercised, is dependent on how two pre-determined performance criteria are fulfilled. The performance criteria are measured during the initial three year performance period. A further requirement is that the participant remains within SEB. The Programme is proposed to have a duration of

seven years including the performance period and to comprise approximately 1,500,000 Performance Shares allotted to up to approx. 325 senior managers and key employees.

Performance criteria

To reach full outcome of Performance Shares under the Programme, two performance criteria, TSR compared to SEB's competitors and TSR compared to LTIR, must be met:

- 1) The criterion **TSR compared to SEB's competitors** implies a minimum outcome if the TSR increase for SEB reaches a weighted Banking Index. The outcome is then 10 per cent of the maximum allotment. Above that level, the number of Performance Shares that can be exercised increases until a ceiling of 7 per cent increase above the Banking Index is reached. At that level the maximum outcome under this criterion is reached (i.e. 50 per cent of total maximum allotment).
- 2) The criterion **TSR compared to LTIR** implies a minimum outcome if the TSR for SEB reaches LTIR + 2 per cent per year. The outcome is then set at 10 per cent of the maximum allotment. Maximum outcome under this criterion (i.e. 50 per cent of total maximum allotment) is achieved if the TSR reaches LTIR + 11 per cent per year.

If one of the performance criteria is completely fulfilled, only half of the total number of Performance Shares can be exercised. For full exercise both performance criteria have to be completely fulfilled. The expected outcome for the Programme is approximately 48 per cent.

Price

Under the Programme one Performance Share carries a conditional right to acquire one Class A-share in the Bank at a future date at a price of SEK 10. A price below the current share price motivates the participant to perform even if the share price falls below the current level, thereby further aligning the participants' interest with the shareholders.

To motivate participants to keep their Performance Shares after the first day when they can be exercised, the holders are proposed to be compensated for dividends to the shareholders after the performance period. Thus, the number of A-shares to which each Performance Share carries the right will be recalculated, after the Annual General Meeting each year during the exercise period, taking the dividend into account.

Share Matching Programme

To be able to provide a more competitive remuneration structure for GEC and other selected senior key employees and top performers within areas of strong competition and whose efforts and skills are considered to be of a vital importance for the SEB Group's future profit growth, a Share Matching Programme, in line with the 2008 programme, is proposed. Approximately 70 key employees may be included in the Programme. To be included in the Programme the key employee has to be a sustainable top performer, have an equivalent to at least ten years experience in the financial industry and be an individual living by the SEB values. The selection of participants will be decided by the President in the Group Executive Committee and be presented for the Remuneration and Human Resources Committee before being implemented.

25 per cent of the short-term incentive outcome for the participant related to the financial year 2008 is to be mandatory deferred for three years. The deferred amounts will be allocated to a Deferral Incentive Pool. For the President and members of the Group Executive Committee, who do not have short-term incentive, the Programme instead implies an allocation to the pool out of the total compensation.

A determined number of Deferral Rights will be registered for each participant in the pool. One Deferral Right shall correspond to the fair market value of one Class A-share in the Bank at the time for allocation to the pool.

After three years, following the publication of the Bank's annual accounts, the participant receives one share in the Bank for each Deferral Right, approximately 1,020,000 shares, and a conditional number of additional Matching Shares. The number of Matching Shares received is dependent on how the performance criterion TSR compared to LTIR is fulfilled during the three-year period. A further requirement is that the participant remains within SEB during this period.

Performance criterion

TSR compared to LTIR implies a minimum outcome of Matching Shares if the TSR for SEB reaches LTIR + 2 per cent per year. The outcome is then one Matching Share. Maximum outcome, with a linear distribution within the interval, is achieved if the TSR reaches LTIR + 23 per cent per year.

The maximum outcome for the participants under the Programme is five Matching Shares for the President and CEO, four Matching Shares to other members of the Group Executive Committee and three Matching Shares for other participants.

The value of the Programme is capped at 150 per cent TSR. If the TSR exceeds 150 per cent of the initial share price at the time of vesting, the number of Matching Shares to be received by the participant shall be reduced proportionally to a number corresponding to such capped value.

The Programme is proposed to comprise an obligation for the Bank to deliver approximately 3,300,000 Matching Shares. Based on the chosen performance criterion, the expected outcome for the Programme is approx. 42 per cent.

Allotment under the three Programmes

The maximum number of shares that can be transferred under the three Programmes (excluding shares purchased by the employees under the Share Savings Programme and shares delivered as exchange for deferral rights under the Share Matching Programme) is 7,100,000 shares. The expected outcome is approximately 4,050,000 shares.

The maximum number of shares equals approximately one per cent of the total number of shares in the Bank. As the delivery of Class A-shares is proposed to be effectuated with existing shares, there is no formal dilution.

The price and the number of shares to which each participant has a right, in the three Programmes for 2009, may be subject to recalculation under the terms and conditions of the Programmes as a consequence of bonus issues, splits, preferential issues and similar measures.

The Group Executive Committee, including the President, is estimated to receive approx. 15 per cent at maximum under the programmes, if they participate to full extent in the Share Savings Programme.

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.

Matching Shares received and shares purchased under the Programmes are ordinary A-shares with the right to a dividend. The Deferral Rights and Performance Shares are not securities that can be sold, pledged or transferred to others.

An estimated value for each Performance Share can be calculated, based on the expected outcome of the performance criteria, the price to acquire one Class A-share and based on that there is no compensation for dividend for the performance period. The Board has consulted independent expertise to perform the calculations. The estimated value of one Performance Share in the 2009 Programme is approximately 40 per cent of the average closing price for the SEB Class A share during ten banking days following the announcement of the annual accounts 2008.

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 Performance Shares are exercised and the shares/Matching Shares are received respectively. With respect to the Performance Shares the taxable value of the benefit will be equal to the difference between the exercise price and the closing price for SEB's Class A-share on the exchange and for the Matching Shares the closing price for the shares when the Matching 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 theoretical annual charge in the profit and loss account for the three Programmes is estimated to SEK 102m, out of which SEK 31m of social charges affects the shareholders since the remainder is credited to equity. The expected annual charge to the profit and loss account is estimated to SEK 80m, out of which SEK 17m is related to social charges. The expected annual charge is equivalent to approximately 0.6 per cent of the total annual staff costs of SEB.

The maximum charge is based on the assumptions that the value of the SEB share is SEK 50, no participant in any Programme is leaving SEB and that the Performance Share Programme and the Share Matching Programme are fully vested from both performance criteria. Should the SEB share price increase from SEK 50, the increase in annual charge will be approx. SEK 16m for every SEK 10 in increase.

Transfer of shares

Transfer of shares under the Programmes is proposed to be made by repurchased own shares (item 22 on the agenda for the Annual General Meeting).

Hedging

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 22 b) on the agenda for the Annual General Meeting) or by equity swap contracts. The social security contribution and the price deviation between the exercise price, SEK 10, and the share price on the day of allotment for the Performance Share Programme are 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 approx. SEK 20m.

Facts – performance measures

Performance Share Programme

There are two performance criteria with equal (50/50) weight.

One criterion is the **total shareholder return (TSR)** (the SEB share price development including dividends) **compared to SEB's competitors** during the three-year performance period. It implies a minimum outcome if the TSR increase for SEB reaches a weighted Banking index (75/25 per cent Nordic/European). The outcome is then 10 per cent of the maximum allotment. Above that level, the number of performance shares that can be exercised increases until a ceiling of 7 per cent increase above the Banking Index is reached. At that level the maximum outcome under this criterion is reached (i.e. 50 per cent of total maximum allotment).

The other criterion is **TSR compared to the rate of return of the Swedish 10 year government bond i.e. the long term risk free interest rate (LTIR)** during the three-year performance period. It implies a minimum outcome if the TSR for SEB reaches LTIR + 2 per cent per year. The outcome is then 10 per cent of the maximum allotment.

Maximum outcome under this criterion (i.e. 50 per cent of total maximum allotment) is achieved if the TSR reaches LTIR + 11 per cent per year.

Share Matching Programme

The performance criterion is measured as **TSR compared to the rate of return of the Swedish 10 year government bond i.e. the long term risk free interest rate (LTIR)** during the three-year performance period. It implies a minimum outcome of Matching Shares if the TSR increase for SEB reaches LTIR + 2 per cent per year. The outcome is then one Matching Share. Maximum outcome, with a linear distribution within the interval, is achieved if the TSR reaches LTIR + 23 per cent per year. The value of the Programme is capped at 150 per cent TSR. If the TSR exceeds 150 per cent of the initial share price at the time of vesting, the number of Matching Shares to be received by the participant shall be reduced proportionally to a number corresponding to such capped value.

Summary of outstanding long term incentive programmes (Employee Stock Option and Performance Share Programmes)

	Original number of holders	No. of options/ performance shares outstanding as per 31 December 2008 ¹⁾	Exercise price (SEK)	Value at the time of issuing (SEK) ²⁾	Value 13 February 2009 (SEK) ⁴⁾	Duration
2002	1029	1,575,888	106.20 ²⁾	17	0	2002-2009
2003	792	1,771,196	81.30 ²⁾	15	0	2003-2010
2004 ⁵⁾	799	0	120.00 ²⁾	17	-	-
2005	537	593,981	10.00	46	40.50	2005-2012
2006	513	1,272,414	10.00	65	40.50	2006-2013
2007	509	1,150,305	10.00	86	40.50	2007-2014
2008	482	1,453,533	10.00	55	40.50	2008-2015
Total		7,817,317				

- 1) All options entitle the holders the right to acquire one A-share per option
- 2) Calculated as 110 per cent of the average closing listed price for SEB's Class A-share on the Stockholm Stock Exchange during a period of ten banking days in connection with the publication of the Bank's annual accounts.
- 3) Calculated value according to established principles for options.
- 4) The value has been calculated as the difference between the exercise price and the closing price for the Class A-share in the Bank as per 13 February 2009. No consideration has been taken to whether the options at present are possible to exercise or not. The value, calculated in a corresponding manner, will on exercise be taxed as income from employment for the holders.
- 5) According to the terms and conditions for the year 2004 programme, the value of each option for the option holders was limited to SEK 100. The Bank has, according to the terms, prematurely terminated the programme in April 2007 since the market price (based on the closing listed price at the exchange) for the Class A-shares in the Bank at that date exceeded the limit of SEK 220.

Proposed decision concerning Long-term incentive programmes for 2009 and change regarding the 2008 Long-term incentive programmes (item 21 a)–d) on the agenda)

The Board proposes that the Annual General Meeting decides on long term incentive programmes for 2009 and a change in the 2008 long-term incentive programmes based on the below referred principle terms and conditions.

Item 21 a)

A Share Savings Programme, based upon approximately 2,300,000 shares.

1. All employees within the SEB Group may be offered to participate in the Share Savings Programme.
2. The employees are offered to, during a twelve month period from the implementation of the Programme, from their salary, save an amount corresponding to five per cent of gross base salary and for the amount, at current stock exchange price, purchase Class A-shares in the Bank.
3. Purchases will be made during four periods, following the publication of the Bank's quarterly reports.
4. If the shares are retained by the employee for three years from the investment date and the participant remains with SEB during this time, the Bank will give the employee one share (Class A-share) for each retained share.

Item 21 b)

A Performance Share Programme, based upon approximately 1,500,000 Performance Shares to be allotted to up to approximately 325 senior managers and key employees.

1. The duration of the Performance Share Programme shall be seven years with an initial performance period of three years. The Performance Shares shall be allotted before the 2010 Annual General Meeting.

2. Each Performance Share under the Programme carries a conditional right to acquire one Class A share in the Bank at a price of SEK 10. The holders of Performance Shares shall be compensated for dividends during the four year exercise period. Thus, the number of A-shares to which each Performance Share carries the right, will be recalculated after the Annual General Meeting each year during the exercise period, taking the dividend into account.
3. The number of allotted Performance Shares that finally can be exercised is dependent on how the predetermined performance criteria, measured as total shareholder return compared to SEB's competitors and total shareholder return compared to the markets requirement for return based upon the rate of the Swedish 10 year government bond i.e. the long term risk free interest rate, are fulfilled.
4. Before the number of Performance Shares that are possible to exercise for the acquisition of A-shares is finally determined, the Board shall examine whether the outcome of the performance criteria is reasonable considering SEB's financial results and position, the conditions on the stock market and other circumstances such as changes in accounting principles, and if not, as determined by the Board, change the number of Performance Shares that can be exercised, to the number deemed appropriate by the Board. In exercising this examination, the Board shall act fairly and reasonably so that any change is set with the intention that it is no more and no less difficult to satisfy the performance criteria than originally intended. Any such change shall be communicated in connection with SEB's first financial report following the decision.

Item 21 c)

A Share Matching Programme, based upon approximately 3,300,000 Matching Shares to be transferred to approximately 70 selected key employees.

1. 25 percent of the short-term incentive outcome that the participant should have received related to the financial year 2008 is mandatory deferred for three years. The deferred amounts are allocated to a Deferral Incentive Pool. For the President and members of the Group Executive Committee, who do not have short-term incentive, the Programme instead implies an allocation to the pool out of the total compensation. A determined number of Deferral Rights are registered for each participant in the pool. One Deferral Right shall correspond to the fair market value of one Class A-share in the Bank at the time for allocation to the pool.
2. After three years the participant receives one Class A-share in the Bank for each Deferral Right and in addition thereto not more than three - five Matching Shares.
3. The number of Matching Shares received is dependent on a pre-determined performance criterion measured as total shareholder return compared to the markets requirement for return based upon the rate of the Swedish 10 year government bond i.e. the long term risk free interest rate.
4. The value of the Programme is capped at 150 per cent TSR. If the TSR exceeds 150 per cent of the initial share price at the time of vesting, the number of Matching Shares to be received by the participant shall be reduced proportionally to a number corresponding to such capped value.
5. Before the number of Matching Shares is finally determined, the Board shall examine whether the outcome of the performance criterion is reasonable

considering SEB's financial results and position, the conditions on the stock market and other circumstances such as changes in accounting principles, and if not, as determined by the Board, change the number of Matching Shares to the number deemed appropriate by the Board. In exercising this examination, the Board shall act fairly and reasonably so that any change is set with the intention that it is no more and no less difficult to satisfy the performance criterion than originally intended. Any such change shall be communicated in connection with SEB's first financial report following the decision.

Item 21 d)

A change in the 2008 programmes so that the aggregate total maximum number of shares under the three 2008 programmes may be distributed between the programmes as decided by the Board.

General

1. The aggregate total maximum number of shares under the three 2009 programmes may be distributed between the programmes as decided by the Board of Directors.
2. The Board of Directors is authorised to decide on the detailed terms and conditions for the long-term incentive programmes for 2009 based on the aforementioned principles. The Board of Directors, or if it so decides its Remuneration and Human Resources Committee, is also authorised to make changes to the programmes from time to time if so deemed advisable by the Board or Committee and provided that the programmes following such changes are within the limits of the maximum number of shares, calculated maximum costs and calculated maximum dilution for the programmes combined.
3. 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.

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 2009

Skandinaviska Enskilda Banken AB (publ)

THE BOARD OF DIRECTORS