

Corporate governance at SEB

The ability to maintain trust among customers, shareholders and other stakeholders is of vital importance for SEB. A clear and effective structure for governance and division of responsibility is essential, among other things, in order to avoid the risk for conflicts of interest.



“During 2012, one of many important focus areas for the Board has been to find an appropriate balance between the increased costs for maintaining financial buffers in accordance with new regulations versus the profitability and growth of the business. The Board has also focused on securing long-term resilience, enabling us to support the Bank’s customers in good and bad times, and thus create long-term shareholder value.”

Marcus Wallenberg, Chairman of the Board

Corporate governance framework

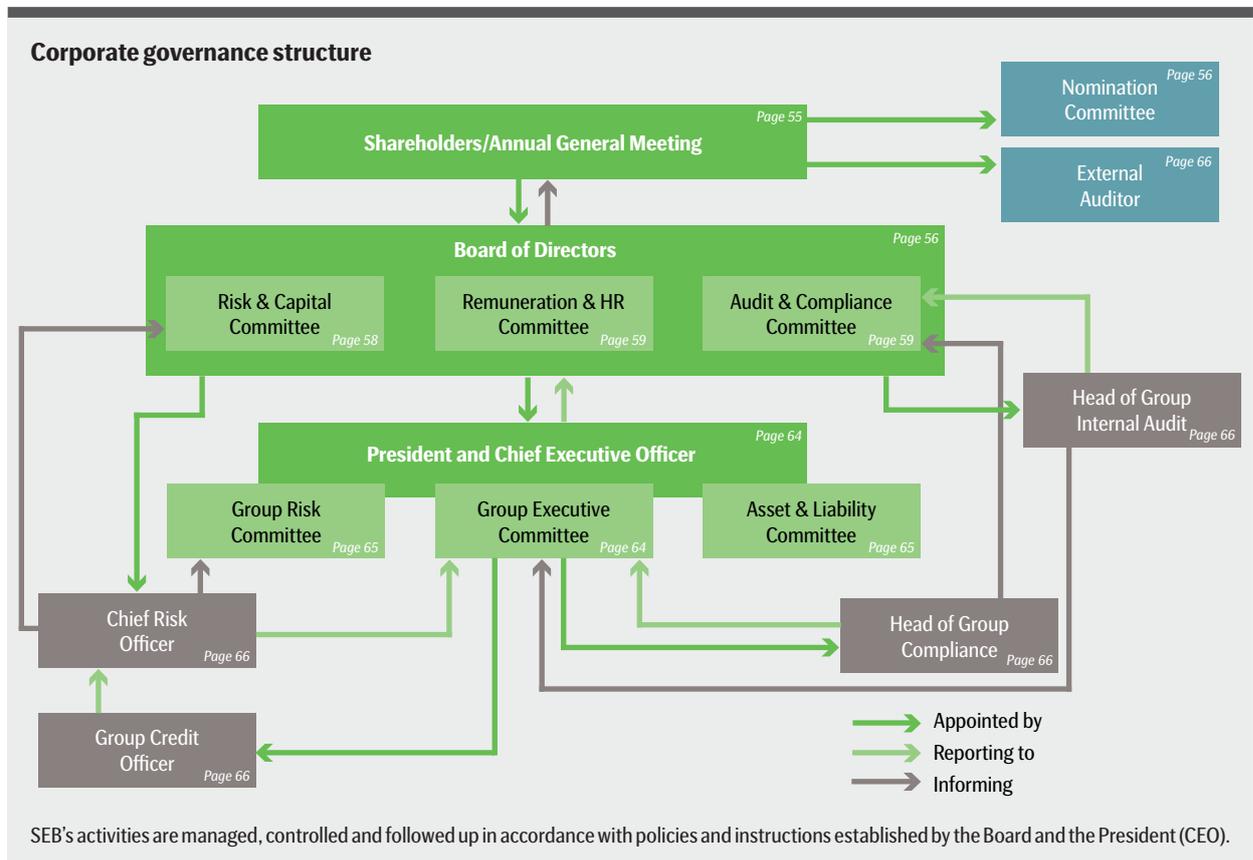
SEB attaches great importance to the creation of clearly defined roles for officers and decision-making bodies in such areas as the credit approval process, corporate finance, asset management and the insurance operations.

The external framework that SEB adheres to in its corporate governance, includes, among other things, the:

- Companies Act
- Annual Accounts Act
- NASDAQ OMX Stockholm regulations
- Swedish Code of Corporate Governance
- Banking and Financing Business Act

The internal framework includes among other things the Articles of Association, adopted by the General Meeting of Shareholders. Policies and instructions that have been drawn up to clearly define the division of responsibility within the Group are important tools for the Board and the President in their governing and controlling roles. Of special importance in this context are the:

- Rules of Procedure for the Board
- Instructions for the President and the Group’s Activities
- Group’s Credit Instruction and Risk Policy
- Instruction for Handling of Conflicts of Interest
- Ethics Policy



- Instruction for Procedures Against Money Laundering and Financing of Terrorism
- Remuneration Policy

SEB's Code of Business Conduct describes and lays out SEB's values and standards of business conduct and provides guidance on how to live by these values. Policies and guidelines for sustainability, such as the Corporate Sustainability Policy and various group-wide position statements and industry sector policies addressing environmental, social and governance issues are also of vital importance in this context. *The Code of Business Conduct and details on sustainability governance can be found on SEB's website: www.sebgroup.com. Further information on SEB's sustainability work is provided on p. 14.*

SEB's Corporate Governance Report has been prepared in accordance with the Annual Accounts Act and the Code of Corporate Governance. No deviations from the Code are reported for 2012. *The report and further information on corporate governance at SEB are available on SEB's website.*

Shareholders and General Meetings of Shareholders

SEB has close to 280 000 shareholders. Approximately 175,000 of these have holdings of less than 500 shares while about 600 hold more than 100,000 shares, accounting for 85 per cent of capital and votes. SEB has two classes of shares – Class A-shares, which carry one vote, and Class C-shares, which carry 1/10 of a vote. SEB's largest shareholders and the shareholder structure as per 31 December 2012 are shown in the tables and graphs below.

The shareholders' influence in the Bank is exercised at General Meetings of Shareholders, which are the Bank's highest decision-making body. All shareholders listed in the shareholder register who have duly notified their attendance have the right to participate at General Meetings and to vote for the full number of their respective shares. Shareholders who cannot attend a General Meeting may appoint a representative.

The 2012 Annual General Meeting (AGM) was held on 29 March 2012. A total of 836 persons, representing 1,231 shareholders, all Board members, the Group Executive Committee and the Bank's auditor were present at the AGM. *The minutes from the AGM are available on SEB's website.* The main decisions made at the AGM were:

Annual General Meeting attendance 2008–2012



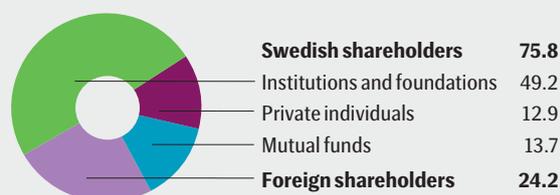
The largest shareholders

31 December 2012	No. of shares	Of which Series C shares	Share of capital, %	Share of votes, %
Investor AB	456,089,264	2,725,000	20.8	20.9
Trygg Foundation	177,447,478		8.1	8.2
Alecta	135,540,000		6.2	6.2
Swedbank Robur funds	86,631,649		3.9	4
Norges Bank	57,046,951		2.6	2.6
Nordea funds	46,051,601		2.1	2.1
SEB funds	43,953,154		2.0	2
SHB funds	33,457,943	23,680	1.5	1.5
Wallenberg-foundations	33,057,244	5,871,173	1.5	1.3
AMF Insurance & funds	28,092,620		1.3	1.3
SHB	24,095,965		1.1	1.1
First Swedish National Pension fund	22,903,527		1.0	1.1
Fourth Swedish National Pension fund	22,894,451		1.0	1.1
Second Swedish National Pension fund	18,149,825		0.8	0.8
Skandia Life	17,796,495		0.8	0.8
Foreign owners	531,062,397	1,611,582	24.2	24.4

Source: Euroclear AB/SIS Ägarservice AB

Shareholder structure

Percentage holdings of equity on 31 December 2012

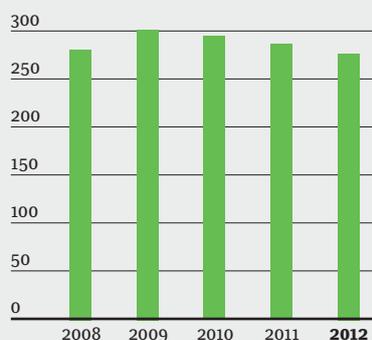


The majority of the banks approximately 280 000 shareholders are private individuals with small holdings. The ten largest shareholders account for 50 per cent of capital and votes.

Source: Euroclear/SIS Ägarservice AB

Number of shareholders

December 31. Thousands



The SEB share is one of the five most widely held shares on the NASDAQ OMX Stockholm Stock Exchange.

- a dividend of SEK 1.75 per share
- re-election of all eleven directors
- re-election of Marcus Wallenberg as Chairman of the Board
- re-election of PricewaterhouseCoopers as auditor
- procedures for appointment of the Nomination Committee and for its work
- adoption of guidelines for remuneration of the President and the other members of the Group Executive Committee
- approval of three long-term equity programmes
- issuance of a mandate to the Board concerning the acquisition and sale of own shares for SEB's securities business, for the long-term equity programmes and for capital management purposes.

An electronic system of voting modules, so-called televoters, was used for voting at the AGM.

Nomination Committee

Pursuant to a decision by the AGM, the Nomination Committee shall be composed of representatives of the Bank's four largest shareholders and the Chairman of the Board. One of the independent directors shall be appointed as additional member of the committee. The composition of the Nomination Committee meets the requirements set by the Code of Corporate Governance with respect to members' independence, among other things. The Nomination Committee has access to information on SEB's operations and financial and strategic position, which is provided by the Chairman of the Board and the additional member. In addition, the Nomination Committee reviews the evaluation of the Board and the Board's work as well as of the Chairman of the Board.

The Nomination Committee is tasked with making recommendations in the following areas, to be put to the AGM for decision:

- nomination of a person to preside as AGM chairman
- the number of directors
- nomination of directors
- nomination of the Chairman of the Board
- Directors' fees, allocated among the Board members and fees for committee work
- auditor's fee
- nomination of auditor
- when applicable, rules for the Nomination Committee

Nomination committee for the 2013 AGM

Member	Representing	Votes, % 31 August 2012
Petra Hedengran, <i>Chairman</i>	Investor	20.9
William af Sandeberg	Trygg-Stiftelsen	8.2
Staffan Grefbäck	Alecta	6.5
Hans Wibom	The Knut and Alice Wallenberg Foundation	1.3
Marcus Wallenberg	SEB, Chairman of the Board	
		36.9

Urban Jansson *Additional member, appointed by the Board*

An important principle is that the size and composition of the Board should be such as to serve the Bank in the best possible way. It is therefore crucial that the directors have requisite experience and knowledge about the financial and other sectors as well as international experience and a contact network that meet the demands that arise from the Bank's current position and future orientation. The Nomination Committee for the 2012 AGM assessed the extent to which the Board met these requirements. The assessment was based on discussions about the size of the Board and its composition with respect to such matters as industry experience, expertise, independence, diversity and future succession matters. The Nomination Committee found that the Board proposed to and elected at the 2012 AGM meets the requirements.

The Nomination Committee for the 2013 AGM was appointed in autumn 2012. A report on the Nomination Committee's work will be presented at the 2013 AGM. No special fee has been paid to the members of the Nomination Committee. *The Nomination Committee's recommendations and a statement accompanying its nomination of directors can be found on SEB's website.*

Board of Directors

The directors are elected by the shareholders at the AGM for a one-year term of office extending through the next AGM.

Since the 2012 AGM the Board has consisted of eleven AGM-elected directors, without any deputies, and of two directors and two deputies appointed by the employees. In order for a quorum to exist at a Board meeting, more than half

Evaluation of the Board of Directors, the President and the Group Executive Committee

SEB uses an annual self-assessment method, which among other things includes a questionnaire, followed by discussions within the Board. Through this process the activities and work methods of the Board, the Chairman of the Board and the respective committees are evaluated. Among the issues examined are:

- how to further improve the work of the Board
- the extent to which the individual board members take an active part in discussions by the Board and its committees
- whether board members contribute independent opinions
- whether the meeting atmosphere facilitates open discussions

The outcome of the evaluation has been presented to and discussed by the Board and the Nomination Committee. The evaluation process and its outcome contribute to further improvement of the Board's work and helps the Nomination Committee to evaluate the size and composition of the Board, among other things.

The Chairman of the Board formally evaluates each individual director's work once a year. Marcus Wallenberg did not participate in the evaluation of the Chairman's work which was directed by Tuve Johannesson, one of the Deputy Chairmen of the Board.

The Board evaluates the work of the President and the Group Executive Committee on a continuous basis, without participation by the President or any other member of the Group Executive Committee.

Work of the Board of Directors in 2012

The work of the Board follows a yearly plan. In 2012, nine board meetings were held. SEB's position in the macro-economic climate was discussed in some context at each Board meeting during the year. Other important matters dealt with during the year included the following:

- approval of the Annual Accounts and Annual Report for 2011
- approval of the interim reports
- proposal for the dividend for 2011
- presentation by the external auditors and the Head of Internal Audit on the external and internal audit in 2011
- proposal to the AGM on guidelines for remuneration for the President and the other members of the GEC
- proposal to the AGM on long-term equity programmes
- decision on SEB's risk appetite and risk limits, including capital and funding issues
- information and discussions about the Group's risk position, including asset quality, development of the credit portfolio and the liquidity situation
- review of IT development
- evaluation of the President's work
- review of business and market segments, including a visit to SEB's offices in Malmö
- risk seminar
- decision on the strategic direction of the Group's activities and overall long-term goals
- annual review and revision of policies and instructions
- business plans, financial plans and forecasts
- evaluation of the Board's work
- decisions on remuneration issues
- discussions on talent review and succession planning

of the directors must be present. The President and Chief Executive Officer is the only AGM-elected director who is also an employee of the Bank. The Nomination Committee has assessed the independence of the directors in relation to the Bank and the Bank's management and in relation to shareholders controlling more than ten per cent of the shares or votes in the Bank and has found that the composition of the Board meets the requirements of the Code of Corporate Governance with respect to directors' independence. *The composition of the Board as from the 2012 AGM and the directors' independence are shown in the table below, and biographical information about the directors is presented on p. 60–61.*

The Board has adopted Rules of Procedure that regulate the Board's role and ways of working as well as special instructions for the Board's committees. The Board has overall responsibility for the activities carried out within the Group and has the following duties, among others:

- deciding on the nature, direction and strategy of the business as well as the framework and objectives of the activities

- regularly following up and evaluating the operations in relation to the objectives and guidelines established by the Board
- ensuring that the business is organised in such a way that the accounting, treasury management and financial conditions in all other respects are controlled in a satisfactory manner and that the risks inherent in the business are identified, defined, measured, monitored and controlled in accordance with external and internal rules, including the Bank's Articles of Association
- deciding on major acquisitions and divestments as well as other major investments
- appointment or dismissal as well as remuneration of the President, the Chief Risk Officer, the members of the Group Executive Committee and the Head of Group Internal Audit.

The Chairman of the Board organises and directs the work of the Board.

The President participates in all board meetings, except on matters in which the President has an interest that may be in

Board of Directors

Name	Position	Year elected	Independent in relation to		Risk and Capital Committee	Audit and Compliance Committee	Remuneration and HR Committee	Total remuneration SEK	Attendance at Board meetings	Attendance at committee meetings
			the Bank	the major shareholders						
Marcus Wallenberg	Chair	2002	Yes	No	●	●	●	2,250,000	9/9	25/25
Jacob Wallenberg	Deputy Chair	1997	Yes	No				540,000	9/9	
Tuve Johannesson	Deputy Chair	1997	Yes	Yes			●	735,000	9/9	7/8
Johan H. Andresen	Director	2011	Yes	Yes				450,000	8/9	
Signhild Arnegård Hansen	Director	2010	Yes	Yes				450,000	8/9	
Urban Jansson	Director	1996	Yes	Yes	●			960,000	8/9	14/14
Birgitta Kantola	Director	2010	Yes	Yes		●		645,000	9/9	5/5
Tomas Nicolin	Director	2009	Yes	Yes			●	837,500	9/9	8/8
Jesper Ovesen	Director	2004	Yes	Yes	●			775,000	8/9	13/14
Carl Wilhelm Ros	Director	1999	Yes	Yes		●		837,500	9/9	6/6
Annika Falkengren	Director	2005	No	Yes	●			–	9/9	15/15
Magdalena Olofsson	Director*	2012 ¹⁾						–	7/7	
Pernilla Pålman	Director*	2012 ²⁾						–	9/9	
Maria Lindblad	Deputy Director*	2012						–	7/7	
Håkan Westerberg	Deputy Director*	2011						–	9/9	

● Chair ● Deputy Chair ● Member * appointed by the employees 1) Deputy Director 2003–2007 2) Deputy Director 2010–2011

conflict with the interests of the Bank, such as when the President's work is evaluated. Other members of the Bank's executive management participate whenever required for purposes of informing the Board or upon request by the Board or the President. SEB's General Legal Counsel serves as the Secretary to the Board.

Directors' fees

SEB's 2012 AGM set total fees of SEK 8,480,000 for the members of the Board and decided how these fees were to be distributed among the Board and its committees. No fee for committee work is paid either to the Chairman of the Board or employees of the Bank. Directors' fees are paid on a running basis during the mandate period.

Following a recommendation by SEB's Nomination Committee, the Board has adopted a policy that requires the Board members to purchase and hold certain quantities of SEB shares. *Information on remuneration principles, remuneration of the President and members of the GEC and on long-term equity programmes is provided on p. 67.*

Board committees

The overall responsibility of the Board cannot be delegated. However, the Board has established committees to handle certain defined issues and to prepare such issues for decision by the Board. At present, the Board has three such committees: the Risk and Capital Committee (RCC), the Audit and Compliance Committee (ACC) and the Remuneration and Human Resources Committee (RemCo). These committees report on a regular basis to the Board. Committee members are appointed for a period of one year at a time. An important principle is that as many board members as possible shall participate in committee work, also as committee chairs. Although the Chairman of the Board is a member of all three committees, he does not chair any of them. Neither the President nor any other officer of the Bank is a member of the ACC or RemCo. The President is a member of the RCC. Apart from committee work, no other delegation of duties is applied within the Board.

Risk and Capital Committee



"During my years as chairman of the RCC, financial markets have undergone extreme unrest and volatility. At the same time, regulators have significantly increased the supervisory requirements – a process which is ongoing. During 2012, much of RCC's work focused on the effect of these matters on SEB. Furthermore, the RCC is deeply involved in defining SEB's risk strategy."

Urban Jansson (Chairman)

The RCC is tasked with supporting the Board in overseeing and ensuring that the Bank's organisation is managed in such a way that all risks inherent in the Group's business are identified, defined, measured, monitored and controlled in accordance with external and internal rules. The RCC also monitors the Group's risk and capital situation on a continuous basis.

The RCC sets the principles and parameters for measuring and allocating risk and capital within the Group and oversees risk management systems and the overall risk tolerance/appetite and strategy for the near and long term, as well as implementation of this strategy. The Committee prepares, for decision by the Board, a recommendation for the appointment or dismissal of the Chief Risk Officer (CRO). The Committee also decides on individual credit matters of major importance or of importance as to principles. The RCC held fifteen meetings in 2012.

The Group's Chief Financial Officer has overall responsibility for information and presentations to the Committee on matters related to capital and funding. The CRO has overall responsibility for information and presentations on risk and credit matters. *The risk organisation is described in further detail on p. 64 and the risk, liquidity and capital management on p. 38.*

RCC members

Urban Jansson (Chair), Marcus Wallenberg (Deputy Chair), Jesper Ovesen and Annika Falkengren.

The RCC's work during 2012:

- reviews and recommendation for the decision by the Board of Group policies and strategies, such as the Risk Policy and Risk Strategy, the Credit Policy, the Credit Instruction, the Capital Policy, the Liquidity and Pledge Policy, the Trading and Investment Policy and the CRO Instruction
- monitoring of the implementation of these policies and adoption of credit policies and instructions that complement the Group's Credit Policy and Credit Instruction
- monitoring of the risk development of the Group
- preparation for decision by the Board of matters concerning limits for market and liquidity risks
- discussions on the effects on the capital base from changes in accounting principles for defined benefit pension plans
- review of significant changes in the credit portfolio and of the credit process within the Group
- review of risk measurement models, methods and risk management systems
- review of material changes in the overall capital and liquidity situation and in the Group's capital adequacy situation
- preparation for decision by the Board of changes in the Group's capital goals and capital management matters, such as the dividend level
- strategic discussions on comprehensive financial and balance sheet management.

Audit and Compliance Committee



“The internal controls of the Bank and compliance with regulatory requirements are of utmost importance. The ACC monitors the effectiveness of SEB’s internal control and internal and external audit, as well as the compliance work continuously. One focus area of the ACC has been to monitor the implementation of an enhanced process for internal control over financial reporting, in order to ensure that the financial reporting is accurate and timely.”

Carl Wilhelm Ros (Chairman)

The ACC supports the Board in its work with quality control of the Bank’s financial reporting and internal control over the financial reporting. When required, the ACC also prepares, for decision by the Board, a recommendation for the appointment or dismissal of the Head of Group Internal Audit. The Committee maintains regular contact with the Bank’s external and internal auditors and discusses the co-ordination of external and internal audit activities. It ensures that any remarks and observations from the auditors are addressed. Furthermore, the Committee evaluates the external auditors’ work and independence.

In addition, the President’s proposal for appointment or dismissal of the Head of Group Compliance is subject to the Committee’s approval.

The ACC held five meetings in 2012. The external auditors attended all of the Committee meetings and one Board meeting in 2012. The external auditors, the Head of Group Internal Audit and Head of Group Compliance present reports at Committee meetings. The President and the CFO regularly participate at the meetings. [The Report on Internal Control over Financial Reporting can be found on p. 65.](#)

ACC members

Carl Wilhelm Ros (Chair), Marcus Wallenberg (Deputy Chair) and Birgitta Kantola.

The ACC’s work during 2012:

- handling of annual accounts and interim reports as well as audit reports
- monitoring of the Group’s internal audit and of compliance issues
- monitoring of the internal control over financial reporting ([see page 65](#))
- monitoring of other services than auditing services, procured from the external auditors
- discussions on the effects from changes in accounting principles for defined benefit pension plans
- recommendation to the Nomination Committee of external auditor to be elected at the AGM
- adoption of an annual audit plan for the Internal Audit function, co-ordinated with the external audit plan
- approval of the annual Group Compliance Plan
- discussions with representatives of the external auditors on several occasions, without the President or any other member of the Bank’s management being present

Remuneration and Human Resources Committee



“Professional and committed employees are critical for SEB’s future business result. It is therefore of utmost importance for the RemCo to support the Board on issues regarding remuneration, succession planning and other human resource issues. This enables SEB to recruit, retain and reward employees in a sound and competitive manner. The RemCo also continuously monitors and evaluates remuneration practices, structures and levels in SEB.”

Tomas Nicolin (Chairman)

The RemCo prepares, for decision by the Board, appointments of the President and the members of the GEC. The Committee develops, monitors and evaluates SEB’s incentive programmes and how the guidelines established by the AGM for remuneration of the President and the members of the GEC are applied. An independent auditor’s review report on the adherence of remuneration in SEB to the Remuneration Policy is presented to the Committee annually.

In addition, the Committee monitors the Group’s pension obligations and monitors, together with the RCC, all measures taken to secure the overall pension obligations of the Group, including development within the Bank’s pension foundations. The RemCo held eight meetings in 2012.

The President, together with the Head of Group Human Resources, makes presentations on matters in which there are no conflicts of interest. [The Remuneration Report can be found on p. 67.](#)

RemCo members

Tomas Nicolin (Chair), Marcus Wallenberg (Deputy Chair) and Tuve Johannesson.

The RemCo’s work during 2012:

- review of the Remuneration Policy for the SEB Group, for adoption by the Board
- proposal, for approval by the Board and decision by the AGM, for remuneration guidelines for the President and members of the GEC
- development of long-term equity programmes, for approval by the Board and decision by the AGM
- proposals, for decision by the Board, for remuneration of the President and members of the GEC in accordance with the guidelines established by the AGM
- proposals, for decision by the Board, for remuneration of the Head of Group Internal Audit, the Chief Risk Officer and the Head of Group Compliance in accordance with the Remuneration Policy adopted by the Board
- discussions on the effects on the overall pension obligations from changes in accounting principles for defined benefit pension plans
- monitoring of remuneration principles, variable remuneration programmes and pension obligations
- follow-up on the yearly Group Talent Review, SEB’s process for ensuring leadership succession in the Bank

Board of Directors



MARCUS WALLENBERG

Born 1956; B. Sc. (Foreign Service). Chairman since 2005.

Other assignments: Chairman of Saab, Electrolux and LKAB. Director of AstraZeneca, Stora Enso, Investor, Temasek Holding and the Knut and Alice Wallenberg Foundation.

Background: Citibank in New York, Deutsche Bank in Germany, S G Warburg Co in London and Citicorp in Hong Kong. SEB and Stora Feldmühle in Germany. Executive Vice President of Investor and President and Group Chief Executive of Investor.

Own and closely related persons' shareholding: 753,584 class A-shares and 720 class C-shares.



TUVE JOHANNESON

Born 1943; B. Sc. (Econ), MBA and Econ. Dr. H.C.

Deputy Chairman since 2007.

Other assignments: Chairman of Ecolean International A/S. Director of Meda. Industrial advisor to EQT and J C Bamford Excavators Ltd.

Background: Tetra Pak in various senior positions in South Africa, Australia and Sweden. Executive Vice President of Tetra Pak. President of VME, presently Volvo Construction Equipment. President of Volvo Car Corporation and Vice Chairman of the Board of Volvo Car Corporation.

Own and closely related persons' shareholding: 204,000 class A-shares.



JACOB WALLENBERG

Born 1956; B. Sc. (Econ) and MBA. Deputy Chairman since 2005.

Other assignments: Chairman of Investor. Deputy Chairman of SAS and Ericsson. Director of ABB, the Knut and Alice Wallenberg Foundation, the Coca-Cola Company and the Stockholm School of Economics.

Background: Various positions in SEB. President and Group Chief Executive of SEB. Executive Vice President Investor. Chairman of SEB. Vice Chairman of Atlas Copco AB and Electrolux AB. Director of Stora AB.

Own and closely related persons' shareholding: 430,839 class A-shares and 136 class C-shares.



JOHAN H. ANDREZEN

Born 1961; B.A. (Government and Policy Studies) and MBA.

Other assignments: Owner and Chairman of Ferd. Director of SWIX, Junior Achievement Young Enterprise (JA-YE) Europe, JA-YE Norway, NMI – Norwegian Microfinance Initiative, Corporate Assembly of Orkla ASA and Corporate Partners Advisory Board at BI Norwegian School of Management.

Background: International Paper Co. Partner and owner of Ferd. CEO of Ferd.

Own and closely related persons' shareholding: 100,000 class A-shares.



SIGNHILD ARNEGÅRD HANSEN

Born 1960; B. Sc. (Human resources) and journalism studies.

Other assignments: Chairman of SLC-Group AB, Svenska LantChips, Utah Chips Corporation and SFN/Timbro. Vice Chairman of Swedish-American Chamber of Commerce (SACC), USA. Director of Loomis, University Board of Lund University, SACC, New York, Swedish Trade Council, ESBRI, King Carl XVI Gustaf's Foundation for Young Leadership, Magnora AB and Dagens Industri AB.

Background: President of the family-owned company Svenska LantChips. Chairman of the Confederation of Swedish Enterprise. Vice Chairman of Business Europe. Director of Innventia, IFL at Stockholm School of Economics and Research Institute of Industrial Economics.

Own and closely related persons' shareholding: 2,578 class A-shares.



URBAN JANSSON

Born 1945; Higher bank degree (SEB).

Other assignments: Chairman of EAB, HMS Networks and Svedbergs i Dalstorp. Director of Clas Ohlson, Lindéngruppen and Höganäs.

Background: SEB in various management positions. President and CEO of HNJ Intressenter (former subsidiary of the Incentive Group). Executive Vice President of the Incentive Group. President and Group Chief Executive of Ratos. Several directorships.

Own and closely related persons' shareholding: 56,840 class A-shares.



BIRGITTA KANTOLA

Born 1948; LL.M. and Econ. Dr. H.C.

Other assignments: Director of StoraEnso and Nobina.

Background: Broad experience in banking and finance, e.g. Nordic Investment Bank (Executive Vice President and Head of Finance). Vice President and CFO of International Finance Corporation, Washington D.C. Deputy General Manager of Ålandsbanken, Finland.

Own and closely related persons' shareholding: 22,000 class A-shares.



TOMAS NICOLIN

Born 1954; B. Sc. (Econ) and M. Sc. (Management).

Other assignments: Director of Nordstjernan, Nobel Foundation, Axel and Margaret Ax:son Johnsons Foundation, Centre for Justice, Research Institute of Industrial Economics, the Swedish Corporate Governance Board and SFN/Timbro. Member of the Advisory Board Stockholm School of Economics and the Investment Committee of NIAM Property Fund.

Background: Broad experience in the financial sector as CEO of Alecta, the Third National Swedish Pension Fund and E. Öhman J:or Fondkommission, as well as a leading position in Handelsbanken. Several directorships.

Own and closely related persons' shareholding: 66,000 class A-shares.



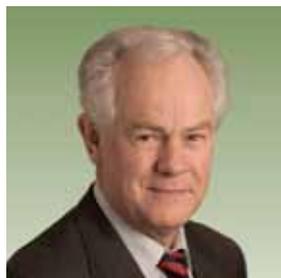
JESPER OVESEN

Born 1957; B. Sc. (Econ) and MBA.

Other assignments: Chairman of Nokia Siemens Networks BV. Director of Orkla ASA.

Background: Price Waterhouse. Vice President and later on Group Chief Executive of Baltica Bank A/S. Vice President and Head of Finance of Novo Nordisk A/S. CFO of Den Danske Bank A/S and of LEGO Holding A/S. CEO of Kirkbi Group and CFO of TDC A/S.

Own and closely related persons' shareholding: 10,000 class A-shares.



CARL WILHELM ROS

Born 1941; M.Sc. (Politics and Econ).

Other assignments: Director of Camfil and INGKA (Ikea) Holding.

Background: Astra, Alfa Laval as Group Controller and Senior Executive Vice President of Ericsson. Several directorships.

Own and closely related persons' shareholding: 18,816 class A-shares and 38 class C-shares.



ANNIKA FALKENGREN

Born 1962; B. Sc. (Econ).

President and CEO since 2005.

Other assignments: Deputy Chairman of the Swedish Bankers' Association. Director of Securitas. Member of Supervisory Board Volkswagen AG and Munich RE.

Background: Various positions within Merchant Banking. Global Head of Trading and Head of Merchant Banking. Head of Division Corporate & Institutions and Executive Vice President of SEB. Deputy Chief Executive Officer.

Own and closely related persons' shareholding: 393,541 class A-shares, 272,479 performance shares and 121,559 conditional share rights.

Directors appointed by the employees



MAGDALENA OLOFSSON

Born 1953; Studies in Economics and Accounting.

Other assignments: Chairman of Financial Sector Union of Sweden SEB Group, Regional Club Stockholm & East of the same union and of the European Works Council SEB Group. Member of the Board of Financial Sector Union Sweden.

Background: Held various positions in SEB. Deputy Member of the Board of SEB. Member of the Board of Finance and Insurance Unemployment Benefit Fund. Member of the Board of SEB BoLån.

Own and closely related persons' shareholding: 0



PERNILLA PÅLMAN

Born 1958; Advanced certificate in occupational safety and health and work environment.

Other assignments: Vice Chairman of Financial Sector Union of Sweden SEB Group and of local Club Stockholm and East. Representative at Group level Sweden.

Background: Worked within the private and corporate sector within Retail as well as in internet support for both the private and corporate sector. Union representative and elected to head occupational safety and health at work. Vice Chairman of Finansförbundet in SEB's local club Stockholm and East. Second Vice Chairman of the Financial Sector Union of Sweden SEB Group.

Own and closely related persons' shareholding: 609 class A-shares and 9 class C-shares.



MARIA LINDBLAD

Born 1953; B.Sc. (Econ) Katowice School of Economics, Poland.

Other assignments: Second Deputy Chairman of Financial Sector Union of Sweden SEB Group and Chairman of Regional Club Stockholm City of the same union.

Background: SEB (FinansSkandic) and later on in the Merchant Banking division. Union assignments since 2005.

Own and closely related persons' shareholding: 4,462 class-A shares.



HÅKAN WESTERBERG

Born 1968; Engineering logistics.

Other assignments: Chairman Association of University Graduates at SEB and of Regional Association Stockholm of the same Association. Board member SEB Kort Bank AB.

Background: Sales Manager at Trygg-Hansa in the property insurance business. SEB in various positions in systems management and IT development. Currently Systems Management Advisor. Union representative from 2001.

Own and closely related persons' shareholding: 1,842 class A-shares.

Contact the Board of Directors:

Skandinaviska Enskilda Banken AB, Board Secretariat
Group Legal, KA2, SE-106 40 Stockholm
boardsecretariat@seb.se

Group Executive Committee



ANNIKA FALKENGREN

Born 1962; SEB employee since 1987; B. Sc. (Econ).

President and CEO since 2005.

Other assignments: Deputy chairman of the Swedish Bankers' Association. Director of Securitas. Member of Supervisory Board Volkswagen AG and Munich RE.

Background: Various positions within Merchant Banking. Global Head of Trading and Head of Merchant Banking. Head of Division Corporate & Institutions and Executive Vice President of SEB. Deputy Chief Executive Officer.

Own and closely related persons' shareholding: 393,541 class A-shares, 272,479 performance shares and 121,559 conditional share rights.



JOHAN ANDERSSON

Born 1957; SEB employee since 1980; B. Sc. (Econ).

Chief Risk Officer since 2010. Head of Credits and Risk Control since 2004.

Background: Different positions within Merchant Banking and Group Credits. Deputy Head of Group Credits and Risk.

Own and closely related persons' shareholding: 54,811 class A-shares, 22 class C-shares and 32,894 performance shares.



JAN ERIK BACK

Born 1961; SEB employee since 2008; B. Sc. (Econ).

Executive Vice President, Chief Financial Officer since 2008.

Background: Svenska Handelsbanken. CFO at Skandia. First Senior Executive Vice President and CFO at Vattenfall.

Own and closely related persons' shareholding: 39,121 class A-shares, 136,241 performance shares and 60,779 conditional share rights.



MAGNUS CARLSSON

Born 1956; SEB employee since 1993; B. Sc. (Econ).

Executive Vice President, Head of the Merchant Banking division since 2005.

Background: Bank of Nova Scotia. Various positions within SEB's Merchant Banking division, including Head of Project & Structured Finance, Head of Corporate Clients and Deputy Head of the division.

Own and closely related persons' shareholding: 53,632 class A-shares, 169,136 performance shares and 72,935 conditional share rights.



VIVEKA HIRDMAN-RYRBERG

Born 1963; SEB employee since 1990; B.Sc. and Lic. Sc. (Econ).

Head of Group Communications since 2009.

Background: Coopers & Lybrand. Various positions within SEB; Fund Manager, Household Economist, Head of Products within the Life business, Group Press Officer and Head of CEO Office.

Own and closely related persons' shareholding: 20,171 class A-shares, 39,734 performance shares and 21,880 conditional share rights.



MARTIN JOHANSSON

Born 1962; SEB employee since 2005; B.Sc. (Econ).

Head of Business Support from 2011.

Background: Citigroup in Sweden and in various assignments around the world. Global Head of Client Relationship Management within SEB's Merchant Banking division. Head of the Baltic division.

Own and closely related persons' shareholding: 50,843 class A-shares, 87,594 performance shares and 48,623 conditional share rights.



ANDERS JOHANSSON

Born 1959; SEB employee since 1984; Higher bank degree.

Head of the Wealth Management division since 2010.

Background: Götabanken. Different positions within SEB's Merchant Banking division. Various leading positions within SEB Private Banking. Head of Trading & Capital Markets, Merchant Banking.

Own and closely related persons' shareholding: 55,798 class A-shares, 14,094 deferral rights and 48,623 conditional share rights.



ULF PETERSON

Born 1961; SEB employee since 1987; LLB.

Head of Group Human Resources since 2010.

Background: Various positions within SEB's Retail Banking division such as Branch Manager, Credit Manager, Deputy Regional Manager, Business Area Manager for Products, Processes, Operations and IT, Global Head of Private Banking, CFO & Global Head of Staff, Retail.

Own and closely related persons' shareholding: 20,030 class A-shares, 69,340 performance shares and 30,389 conditional share rights.



MATS TORSTENDAHL

Born 1961; SEB employee since 2009; M.Sc. (Engineering Physics).

Executive Vice President, Head of the Retail Banking division since 2009.

Background: ABB, Östgöta Enskilda Bank, Various positions within Danske Bank, such as Senior Executive Vice President and Head of Danske Bank Sweden.

Own and closely related persons' shareholding: 36,975 class A-shares, 136,241 performance shares and 60,779 conditional share rights.

Additional Members



PETER HØLTERMAND

Born 1963; SEB employee since 1997; B.Sc. (Econ).

Country Manager SEB Denmark since 2002.

Background: SDS, Alfred Berg, SEB Merchant Banking, Trading & Capital Markets. Global Head of Fixed Income & Swaps, Global Head of Capital Markets and Head of Merchant Banking in Denmark.

Own and closely related persons' shareholding: 87,005 class A-shares and 10,666 deferral rights.



WILLIAM PAUS

Born 1967; SEB employee since 1992; M. Sc. (Econ).

Country Manager SEB Norway since 2010.

Background: Various positions within SEB Trading & Capital Markets. Head of Merchant Banking in Germany and Head of Merchant Banking and Wealth Management in Norway.

Own and closely related persons' shareholding: 105,185 class A-shares and 14,112 deferral rights.



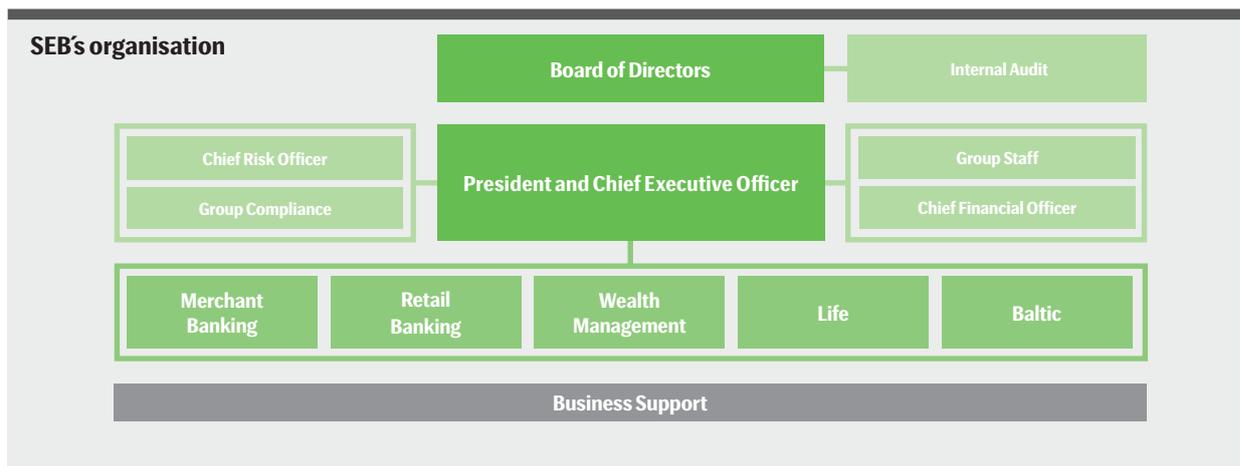
DAVID TEARE

Born 1963; SEB employee since 2006; B. Comm.

Head of the Baltic division from 2011.

Background: Citibank, Morgan Stanley, Client Relationship Management within SEB's Merchant Banking division.

Own and closely related persons' shareholding: 94,904 class A-shares, 2,921 performance shares, 8,104 deferral rights and 29,174 conditional share rights.



The President and Chief Executive Officer

The Board has adopted an instruction for the President and Chief Executive Officer's duties and role.

The President is responsible for the day-to-day administration of the Group's business in accordance with the directives, policies and instructions established by the Board. The President reports to the Board and submits at each board meeting a report on, among other things, the performance of the business in relation to decisions made by the Board.

The President appoints the Heads of Divisions, the Head of Business Support and Heads of the various staff and group functions with direct reporting to the CEO.

The President has three separate committees at her disposal for the purpose of managing the operations: the GEC, the ALCO, p. 65 and the GRC, p. 65. To safeguard the interests of the Group as a whole, the President consults with the GEC on matters of major importance or of importance as to principles. The GEC deals with, among other things, matters of common concern to several divisions, strategic issues, business plans, financial forecasts and reports. The GEC held thirteen meetings in 2012. *Further information about the President and the GEC can be found on p. 62.*

Divisions, business areas and business units

The Board regulates the activities of the Group through an instruction concerning the Group's operations and has laid down rules establishing how the Group's divisions, including the international activities conducted through branches and subsidiaries, are to be governed and organised.

SEB's business is organised in five divisions. Each division's operations are divided into business areas which, in turn, are divided into business units. The Head of Division has overall responsibility for the activities of the division and appoints, after consultation with the President, heads of business areas within the division and of the subsidiaries that the division is responsible for.

A Country Manager is appointed in the respective countries where SEB operates. The Country Manager co-ordinates the Group's business locally and reports to a specially designated member of the GEC.

Business Support and staff functions

Business Support is a cross-divisional function established to leverage benefits of scale in operations and IT. Business Support covers areas, such as transaction processing, develop-

ment, maintenance and operation of IT systems and management of SEB's IT strategy and IT portfolio. Business Support also includes SEB Way – a Group-wide programme for continuous improvement. A separate board has been established by the President as a forum for the continuous management of SEB's IT product development portfolio and decisions in IT-related matters. *For further information on Business Support see p. 36.*

SEB's staff functions have global functional accountability and manage SEB's group-wide instructions, policies, processes and procedures.

Risk organisation

The Board has ultimate responsibility for the Group's risk organisation and for ensuring satisfactory internal control. The RCC supports the Board in this work. At least once a quarter the Board and RCC receive a report on the development of the Group's risk exposure.

The President has overall responsibility for managing all of the Group's risks in accordance with the Board's policies and instructions. The President shall ensure that SEB's organisation and administration are appropriate and that the Group's operations are in compliance with external and internal rules. In particular, the President shall present any essential risk



information regarding SEB to the Board, including the utilisation of limits.

Primary responsibility for ensuring that the Board's intent regarding risk management and risk control is applied in practice within the Group lies with the Asset and Liability Committee (ALCO) and the Group Risk Committee (GRC).

The ALCO, chaired by the President and with the Chief Financial Officer as deputy chair, is a Group-wide decision-making, monitoring and consultative body that handles the following matters, among others:

- financial stability
- the trade-off between financial reward and risk appetite
- strategic capital and liquidity issues

- structural issues and issues concerning the development of the balance sheet and other business volumes
- financing issues involving wholly-owned subsidiaries.

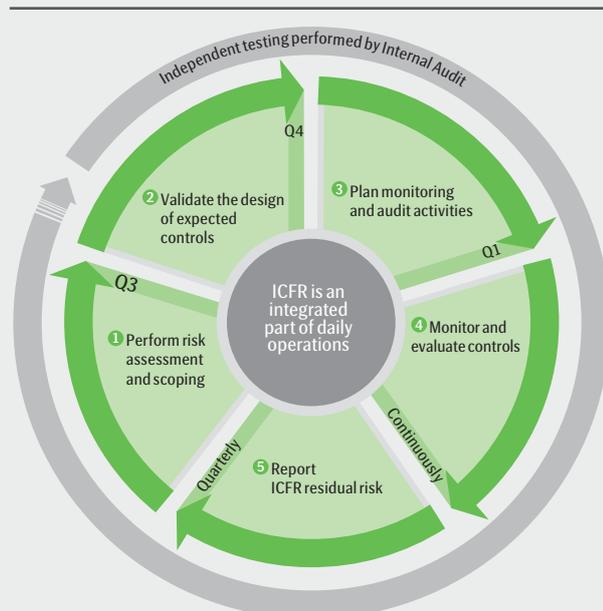
The ALCO held thirteen meetings in 2012.

To strengthen management's risk oversight, in 2012 the former Group Credit Committee was broadened to form a group-wide, decision-making unit, the Group Risk Committee, covering all types of risk at the CEO-level and making it possible to evaluate portfolios, products and clients from a comprehensive risk perspective. The GRC is authorised by the Board to make all credit decisions, with the exception of a few matters that are reserved for the RCC. In addition, the GRC is tasked with:

Internal Control over Financial Reporting

Reliability in the financial reporting is essential to SEB. The internal control over financial reporting (ICFR) process is designed to ensure such reliability. The ICFR process at SEB is conducted in an annual cycle, described in the sections below. It is based on the framework

established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), built upon five internal control components: Control Environment, Risk Assessment, Control Activities, Information & Communication and Monitoring.



1 Perform risk assessment and scoping

Yearly risk assessments are performed at the Group and legal entity levels, to identify and understand the main risk areas related to the financial reporting process, taking into consideration both materiality and complexity aspects. The result is summarised in an ICFR scoping report to the ACC. It describes identified focus areas as well as the legal entities, processes and related systems that are to be covered by the ICFR process during the coming year.

2 Validate the design of expected controls

The ICFR control structure defined is specific for SEB and consists of Group-wide process and IT controls. Examples of these controls are regular validation of the valuation of financial instruments and credit exposures, reconciliation and system access controls. Yearly validation is performed to ensure that the control structure mitigates the identified risks in the financial reporting process. This is done in workshops involving both business and

finance personnel, who together have the required process, system and accounting expertise. The control requirements are continuously communicated to involved parties to ensure that the responsibilities are clear.

3 Plan monitoring and audit activities

Based on risk assessments, identified focus areas and expected controls, the ICFR monitoring plan is prepared for the coming year. The plan clarifies who is responsible for monitoring the respective controls within each legal entity, what type of monitoring activities should be conducted and how the result is to be reported. The monitoring plan is co-ordinated with the audit plans of internal and external audit to ensure a structured and complete monitoring of the ICFR process.

4 Monitor and evaluate controls

Monitoring is carried out continuously to evaluate control status. Examples of monitoring activities include assessments to ensure that the controls implemented within a department meet the requirements set at the group level, internal control checklists and reporting of defined key risk indicators. The IT and control environment is monitored both according to the plan and in connection with the introduction of new products or systems. The monitoring ensures that weaknesses in the ICFR process are identified and that compensating controls and remediation activities can be initiated – all in the aim of managing the risk for material errors in the financial reporting.

5 Report ICFR residual risk

The monitoring results are analysed to assess the risk for errors in the financial reporting. This is done in connection with the quarterly external financial reporting. The summary ICFR monitoring report is reported to the CFO on a quarterly basis and to the ACC once a year. It describes the residual financial reporting risk level, including a description of identified control gaps and how well these are compensated by other controls. The consolidated reporting of ICFR residual risk contributes to transparency in the organisation and enables prioritisation of remediation activities.

In addition to management's monitoring activities, Internal Audit independently tests ICFR in accordance with a plan adopted by the ACC. The audit results as well as measures taken and their current status are also reported on a regular basis to the ACC.

- ensuring that all risks inherent in the activities of the SEB Group are identified, defined, measured, monitored and controlled in accordance with internal and external rules
- supporting the President in ensuring that decisions regarding the SEB Group's long term risk appetite/ambition are followed in the business organisation
- ensuring that the Board's guidelines for risk management and risk control are adhered to and that the necessary rules and policies for risk taking in the SEB Group are maintained and enforced.

The President serves as chair of the GRC, with the Chief Risk Officer (CRO) as the deputy chair. The GRC held 59 meetings in 2012.

The Group Risk organisation, led by the CRO, is responsible for identifying, measuring and controlling SEB's risks. Its work is carried out in three different functions or work streams that report to the CRO: Risk Control, Group Risk Center and Group Credits.

The CRO is appointed by the Board and reports to the President. The CRO keeps the Board, the RCC, the GEC, the ALCO and the GRC regularly informed about risk matters. The CRO has global functional responsibility and is independent from the business organisation. The activities of the CRO are governed by and set out in an instruction adopted by the Board.

Risk Control assesses, measures and monitors risks – primarily market risk, liquidity risk, operational risk, credit risk and insurance risk – against established limits and in accordance with best practice for risk management throughout the organisation.

Group Risk Center focuses on aggregation and analysis of consolidated risk data across risk types and across the Group's credit portfolios, development of models for the Basel II risk weighting and general matters surrounding risk governance and risk disclosure.

Group Credits is responsible for managing the credit approval process and for major individual credit decisions. It is also responsible for analysis and oversight of the composition of the credit portfolio and for monitoring compliance with policies set by the RCC and the Board. Its activities are regulated by the Group's Credit Instruction, adopted by the Board. The Group Credit Officer is appointed by the President, upon recommendation by the CRO, and reports to the CRO. The RCC and the Board receive information on the composition of the credit portfolio, including large exposures and credit losses, at least once per quarter. The credit organisation is independent from the business units and deals with credit matters exclu-

sively. The chairs of the respective divisional credit committees have the right to veto credit decisions. Significant exceptions to the Group's Credit Policy must be referred to a higher level in the decision-making hierarchy. *Further information about risk, liquidity and capital management can be found on p. 38.*

Internal Audit and Compliance

Management at all levels within the divisions, support functions and Group Credits represent the first line of defence for risks in the organisation. The Group Risk organisation and Group Compliance form the second line of defence. Group Internal Audit is the third line of defence.

Group Internal Audit is an independent Group-wide function that is directly subordinate to the Board. The main responsibility of Internal Audit is to provide reliable and objective assurance to the Board and President regarding the effectiveness of controls, risk management and governance processes, with the aim of mitigating current and evolving high risks and in so doing enhance the control culture within the Group. The Head of Group Internal Audit is appointed by the Board and reports to the Board through the ACC and keeps the President and GEC regularly informed about internal audit matters. The ACC adopts an annual plan for the work of Internal Audit.

The Group Compliance function is independent from the business activities while serving as a business support function. It is separated from the legal functions of the Group. The Compliance function shall act proactively to assure the quality of compliance in the Group through information, advice, control and follow-up within the compliance areas, thereby supporting the business activities and management. Special areas of responsibility include:

- customer protection
- market conduct
- prevention of money laundering and financing of terrorism
- regulatory compliance and control

The Head of Group Compliance is appointed by the President upon approval by the ACC and reports regularly to the President and the GEC and informs the ACC about compliance issues. Following a group-wide compliance risk assessment and approval from the ACC, the President adopts an annual compliance plan.

The Board has adopted instructions for the Group's Internal Audit and Compliance activities.

Information about the auditor

According to its Articles of Association, the Bank shall have at least one and not more than two auditors with at most an equal number of deputies. A registered accounting firm may be appointed auditor.

PricewaterhouseCoopers AB has been the Bank's auditor since 2000 and was re-elected in 2012 for the period up to and including the 2013 AGM. The partner in charge as from the 2012 AGM, has been Peter Nyllinge, Authorised Public Accountant. The co-signing auditor has been Authorised Public Accountant Magnus Svensson Henryson. Peter Nyllinge has auditing experience from several major Swedish companies. The fees charged by the auditor for the auditing of the Bank's annual accounts for the financial year 2012 and 2011, respectively, and for other assignments invoiced during these periods, are shown in the table.

AUDITOR

Elected by the Annual General Meeting
PricewaterhouseCoopers

PETER NYLLINGE

Born 1966; Auditor of SEB, Partner in charge as of 2012. Authorised Public Accountant.



Fees to the auditors

SEKm	2012	2011
Audit assignment	29	29
Audit related services	18	21
Tax advisory	16	11
Other	40	24
Total	103	85

In addition, fees and expense allowances in relation to the divestment of the German retail operations amounts to SEK 38m (119). *See also note 10.*

Remuneration report

Remuneration strategy

SEB's remuneration system aims to attract, retain and motivate employees with the right competence who thereby contribute to the Bank's long-term success. Employees' compensation should encourage good performance, sound behaviour and risk-taking that are aligned with customer and shareholder expectations. The compensation is based on experience and performance and promotes a long-term commitment to creating value.

Remuneration structure

SEB's remuneration structure is based on the components base pay, long-term equity-based compensation and pensions and other benefits. The components are used to achieve an overall remuneration structure. Most employees in SEB also take part in collective profit-sharing programmes based on group performance.

The fixed salary SEB offers shall be competitive and reflect the employee's competence and experience. It should also be in line with comparable industries in each geographic market in which the Bank operates.

SEB has reduced the share of employees who are eligible for individual cash-based variable compensation. This decrease reflects the gradually changing market practice and the shift from variable to fixed compensation. Cash-based variable compensation is only used where it is common market practice, for example within investment banking. In 2012 the cash-based variable compensation corresponded to 7 per cent of SEB's total staff costs (10).

At SEB, cash-based variable compensation is based on the risk-adjusted results and performance of the individual employee, of the individual's respective team/business unit and of SEB as a whole. SEB has a well-established model for calculation and internal allocation of capital. The risk-adjusted result is based on this model.

Long-term equity-based compensation is a means to attract and retain staff with key competencies. It also builds long-term commitment to SEB and creates an incentive for the employees to become SEB shareholders. The equity-based programmes provide scope for risk adjustment for both current and future risks, and thus the final outcome can subsequently be reduced in part or in full, in compliance with the rules of the Swedish Financial Supervisory Authority.

Long-term equity programmes 2012

The 2012 Annual General Meeting approved three different programmes for 2012:

- a four-year Share Savings Programme for all employees in selected countries
- a seven-year Share Matching Programme for selected senior managers and key employees
- a ten-year Share Deferral Programme for the Group Executive Committee and certain other executive managers

Share Savings Programme

The Share Savings Programme is offered to all employees in selected countries and aims to strengthen long-term commitment to SEB. The programme runs for four years in total. Employees are offered to invest in SEB class A-shares at the current market price for a maximum amount of 5 per cent of one year's gross base salary. If the shares are retained for three years and the participant remains with SEB during this time, the employee will receive the corresponding number of class A-shares. 43 percent of employees participate in one or more of the Share Savings Programmes offered between 2009 and 2012.

Share Matching Programme

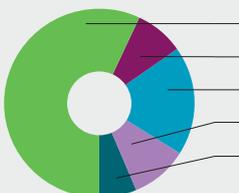
The Share Matching Programme is a seven year incentive programme with predetermined performance criteria. Approximately 400 selected senior executives and other key employees are offered to participate. Participation requires own investment in SEB class A-shares. After three years, there is a possibility to receive matching share rights and performance-based matching share rights.

The individual investment amount is predetermined and limited. For each share held for three years the participant will receive one matching share right and a maximum of three performance-based matching share rights. Each matching share right provides the participant with the right to receive one SEB A-share. A prerequisite is that the participant remains employed by SEB during the performance period. The programme has a cap. The performance criteria is based on the total return for SEB's shares in comparison with the Bank's peers and the risk-free interest rate. The allocation is maximised when both performance criteria are fulfilled and the share price has doubled. The participants in the 2012 share matching programme do not participate in any other 2012 equity-based programmes.

Staff costs

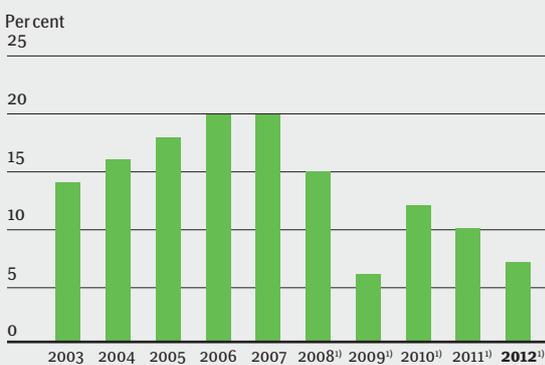
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	2012	2011
Base salary	8,335	(8,265)
Variable salary	1,201	(1,411)
Social charges	2,709	(2,487)
Pensions	1,421	(1,412)
Other staff costs	930	(750)



Variable compensation

Short-term cash-based compensation in relation to total staff costs (including social charges),



1) Shows continuing operations from 2008

Remuneration in SEB 2012

SEK thousand

	Base pay	Cash-based variable compensation	Expensed amount equity-based programmes	Benefits	Total	Pensions
President and CEO, Annika Falkengren	8,000	–	4,491	1,239	13,730	7,471
Other members of the GEC	34,160	–	13,697	1,714	49,571	17,630
Total	42,160	–	18,188	2,953	63,301	25,101
SEB excluding GEC	8,292,586	883,945	299,258	98,495	9,574,284	1,396,111
SEB total	8,334,746	883,945	317,446	101,448	9,637,585	1,421,212

In 2012, in average nine members of the GEC are included.

Share Deferral Programme

The Share Deferral Programme is a ten-year incentive programme directed to the members of the Group Executive Committee and selected executive managers, approximately 100 in total. Based on predetermined Group and individual targets, the participants are granted an individually set number of share rights. The targets are set annually and are both financial and non-financial. 50 per cent of the share rights are earned after a three-year vesting period and 50 per cent after five years.

A requirement for vesting is that the participant remains employed by SEB during the first three years of the programme and that the participant already owns a pre-determined number of SEB shares. Following the vesting period the share rights must be held for at least one more year, after which they can be exercised during a three-year period. The programme aims to put the participants on equal footing with SEB's shareholders. The participants are therefore compensated for the value of dividends paid during the term of the programme.

Participants in the 2012 Share Deferral Programme do not participate in any other 2012 equity-based programmes.

Remuneration of the President and the Group Executive Committee

SEB's Board of Directors decides on the remuneration of the President and the other members of the Group Executive Committee based on a recommendation by the Remuneration and Human Resources Committee. The remuneration shall be in line with the guidelines set by the Annual General Meeting.

The 2012 Annual General Meeting resolved that the total remuneration for Group Executive Committee shall be based on the components base pay, long-term equity-based compensation (Share Deferral Programme) and pension and other benefits.

The remuneration does not include cash-based variable compensation. The pension plans for the members of the Group Executive Committee consist of defined benefit plans or defined contribution solutions and are inviolable. As with the other employees, the aim is to increase the number in defined contribution plans. The defined benefit plans have a cap for the employees' pensionable salary. For termination of employment in which the Bank serves notice, twelve months' severance pay is payable. SEB has the right to deduct any income earned from other employment from the severance pay. Detailed information on remuneration of the President and the members of the Group Executive Committee in 2012 is provided in Note 9c.

The Board's proposed guidelines for decision by the 2013 AGM correspond in all material respects to the 2012 guidelines. The proposal is available on www.sebgroup.com.

Remuneration Policy

The principles for the determining, applying and following up of remuneration within SEB, as well as the identification of employees who are classified as specially regulated staff, are laid out in SEB's Remuneration Policy. The Remuneration Policy is updated annually. The Remuneration and Human Resources Committee prepares a proposed revised version, with input from the relevant control functions, for final adoption by the Board.

In 2012, the number of specially regulated staff was 964.

[Read more about remuneration in note 9.](#)

Status of equity-based programmes

Per cent vested

