

“Central areas of focus in the Board’s work during the year were the digital development in the financial sector and the possibilities and challenges for the bank therefrom, as well as the long-term vision for SEB’s business. IT security issues have also been discussed. The macroeconomic situation – with a negative interest rate situation and geopolitical unease – has been followed. The many far-reaching proposals for new regulations for financial business such as the new capital requirements were also a topic of focus. In this environment SEB has continued to hold its course in order to create long-term, sustainable growth and customer benefit, which are the foundations for achieving the bank’s financial targets.

Marcus Wallenberg, Chairman of the Board



CORPORATE GOVERNANCE

TO MAINTAIN THE IMPORTANT SOCIAL FUNCTION AS A BANK it is of paramount importance for SEB that all stakeholders have great confidence in the bank’s operations. High ethical and professional demands are crucial as is maintaining a sound risk culture.

THE IMPORTANCE OF CORPORATE GOVERNANCE

Corporate governance is the system through which companies are directed and controlled.

To maintain trust among customers, employees, shareholders and other stakeholders and prevent conflicts of interest, roles and responsibilities are clearly defined for shareholders, directors, management and other stakeholders.

SEB’s work with corporate governance is focused on ensuring smooth

and effective operations with high ethical standards, sound risk management and internal control.

RULES AND REGULATIONS

As a Swedish public limited liability financial institution with securities quoted on Nasdaq Stockholm, SEB is subject to numerous rules. The external framework for SEB’s corporate governance includes the following rules and guidelines:

- the Companies Act
- the Annual Accounts Act
- the Nasdaq Stockholm Issuer Rules

- the Swedish Code of Corporate Governance (the Code)
- the Banking and Financing Business Act
- the rules and guidelines issued by the Swedish Financial Supervisory Authority and other authorities ([see further on page 61](#)).

In addition, SEB applies an internal framework, which among other things includes the Articles of Association, adopted by the General Meeting of Shareholders. Policies and instructions that have been drawn up to define the division of responsibility

CORPORATE GOVERNANCE STRUCTURE

SEB's activities are managed, controlled and followed up in accordance with policies and instructions established by the Board and the President and CEO.



within the group are important tools for the Board and the President and Chief Executive Officer (the President) in their governing and controlling roles, including among other:

- the Rules of Procedure for the Board and the Instructions for the Board Committees
- the Instructions for the President and the Group's Activities
- the Group's Credit Instruction and Risk Policy
- the Instruction for Handling of Conflicts of Interest
- the Instruction for Procedures Against Money Laundering and Financing of Terrorism
- the Remuneration Policy
- the Corporate Sustainability Policy
- the Policies on Assessment of Suitability of Directors, members of the Group Executive Committee (GEC) and other key function holders.

SEB's ethical and corporate sustainability endeavours are an integral part of the business, and the Board discusses these issues on a regular basis. SEB's Code of 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 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 Conduct is available on SEB's website.*

The Corporate Governance Report has been prepared in accordance with the Annual Accounts Act and the Swedish Code of Corporate Governance. SEB strives to follow the Code where appropriate and has no deviations to report for 2015. *The report and information about corporate governance at SEB are also available on SEB's website.*

SHAREHOLDERS AND GENERAL MEETINGS OF SHAREHOLDERS

The shareholders influence is exercised at General Meetings of shareholders by, among other things, electing members of the Board and the bank's auditor.

SEB has approximately 270,000 shareholders. Around 170,000 of these own less than 500 shares, while 160 hold more than 1,000,000 shares, accounting for 80 per cent of the capital and votes. SEB's share capital consists of two classes of shares – A shares and C shares. Each Class A share carries one vote and each Class C share carries one-tenth of a vote. SEB's largest shareholders and the shareholder structure as per 31 December 2015 are shown in the tables and graphs on page 28.

The Annual General Meeting

(AGM) of shareholders is held in Stockholm. 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 Annual General Meeting is held in Swedish. The 2015 AGM was held on 25 March. A total of 1,193 persons, representing 1,797 shareholders, were in attendance at the AGM. *The minutes from the AGM are available on SEB's website.*

An electronic system for televoters, was used at the AGM. The main resolutions made at the AGM were:

- approval of the dividend of SEK 4.75 per share
- re-election of eleven directors
- re-election of Marcus Wallenberg as Chairman of the Board
- re-election of PricewaterhouseCoopers as auditor
- adoption of guidelines for remuneration for the President and the other members of the GEC
- approval of two 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.

BOARD OF DIRECTORS (page 48–51)

MARCUS WALLENBERG



URBAN JANSSON



JESPER OVESEN



Position	Chairman since 2005	Deputy Chairman since 2013	Deputy Chairman since 2014
Committee	● RCC ● ACC ● RemCo	● RCC	● RCC
Year elected	2002	1996	2004
Born	1956	1945	1957
Education	B. Sc. (Foreign Service)	Higher bank degree (SEB)	B. Sc. (Econ.) and MBA
Other assignments	Chairman of Saab AB and FAM AB. Director of AstraZeneca PLC, Investor AB, Temasek Holdings Ltd and the Knut and Alice Wallenberg Foundation.	Chairman of EAB AB and 365 id AB. Director of Lindéngruppen.	Director of Sunrise Communication Group AG (Switzerland) and Lundbeck A/S (Denmark).
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. Several assignments as Chairman and Director of large publicly noted companies.	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 assignments as Chairman and Director of large publicly noted companies.	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. CEO of Kirkbi Group. CFO of Den Danske Bank A/S, LEGO Holding A/S and TDC A/S. Several directorships.
Nationality	Swedish	Swedish	Danish
Own and closely related persons' shareholdings	753,584 Class A shares and 720 Class C shares	56,840 Class A shares	25,000 Class A shares
Independent in relation to bank/major shareholders	Yes/No	Yes/Yes	Yes/Yes
Attendance at board/committee meetings	10 of 10 / 33 of 34	10 of 10 / 21 of 21	9 of 10 / 20 of 20
Remuneration, Board meetings, SEK	2,750,000	825,000	825,000
Remuneration, Committee meetings, SEK	715,000	510,000	325,000

● Chair ● Deputy Chair ● Member

NOMINATION COMMITTEE

The Nomination Committee's primary task is to make recommendations for the Chairman of the Board and other directors.

As the starting point for its work, the Nomination Committee is tasked with assessing the degree to which the Board meets the demands that will be placed on the Board as a result of the bank's operations and organisation, position and future direction, as well as criteria set out in new rules and guidelines. Among other things, the Board's size and composition is reviewed. This discussion covers such areas as industry experience and expertise as well as diversity perspectives, for example gender, age and geographic origin. The Nomination Committee adheres to the Policy on Diversity and Assessment of Suitability of Directors, adopted by the Board. The Nomination Committee also makes recommendations regarding directors' fees, allocated among the board members, and fees for committee work.

Pursuant to a decision by the AGM, the Nomination Committee is to be composed of the Chairman of the Board along with representatives of the bank's four largest shareholders, interested in appointing a member. One of the independent directors shall be appointed as additional member of the committee. The composition of the Nomination Committee meets the requirements laid out in the Code with respect to directors' independence, among other things. The Nomination Committee has access to relevant information about SEB's operations and financial and strategic position provided by the Chairman of the Board and the additional member. The Nomination Committee also reviews the evaluations of the Board, the Board's work and the Chairman of 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

JOHAN H. ANDRESEN

SIGNHILD ARNEGÅRD HANSEN

SAMIR BRIKHO

ANNIKA FALKENGREN



Director	Director ● RemCo	Director	Director (President and CEO)
2011	2010	2013	2005
1961	1960	1958	1962
B.A. (Government and Policy Studies) and MBA	B. Sc. (Human Resources) and journalism studies	M.Sc. (Engineering, Thermal Technology)	B. Sc. (Econ.)
Owner and Chairman of Ferd AS. Chair, Council on Ethics, Norwegian Pension Fund Global. Director of SWIX Sport AS, NMI–Norwegian Microfinance Initiative and Junior Achievement Europe.	Chairman of SLC-Group AB with Svenska LantChips AB. Director of Magnora AB. Vice Chairman of the Swedish-American Chamber of Commerce (SACC), USA. Director of SACC, New York, Business Sweden, ESBRl and King Carl XVI Gustaf's Foundation for Young Leadership.	UK Business Ambassador since 2010. Co-Chairman of the UK-UAE Business Council and of the UK-Korea Global CEO Forum. Member of the Stena Advisory Board. Co-Chairman of the World Economic Forum Infrastructure and Urban Development Industries committee and of the Step Change Charity.	Chairman of the Swedish Bankers' Association. Director of Securitas AB, Scania CV AB (subsidiary to Volkswagen) and FAM AB. Member of the Supervisory Board of Volkswagen AG.
International Paper Co. Partner of Ferd AS. CEO of Ferd AS.	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, Research Institute of Industrial Economics, Loomis Sverige AB and University of Lund.	Broad international experience from management and leadership, especially within the industrial sector. Leading positions within ABB, e.g. as Division Head and CEO of significant subsidiaries. Member of the GEC of ABB Ltd, Switzerland. CEO of Amec Foster Wheeler plc, UK.	Various positions within SEB 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 of SEB.
Norwegian	Swedish	Swedish	Swedish
100,000 Class A shares	5,387 Class A shares	0 shares	378,123 Class A shares, 72,675 performance shares, 294,190 conditional share rights and 69,187 share rights.
Yes/Yes	Yes/Yes	Yes/Yes	No/Yes
10 of 10 / –	10 of 10 / 8 of 8	8 of 10 / –	9 of 9 / 25 of 26 ¹⁾
650,000	650,000	650,000	-
-	195,000	-	-

1) In her capacity as President.

Nomination Committee has found that the Board that was proposed to and elected by the 2015 AGM meets the requirements.

The Nomination Committee for the 2016 AGM was appointed in the autumn of 2015. No special fee has been paid to the members of the Nomination Committee. *The Nomination Committee's proposals and a statement supporting its nomination of directors are available on SEB's website.*

BOARD OF DIRECTORS

The Board has overall responsibility for the organisation, management and operations of the group.

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 the following duties, among others:

- deciding on the nature, direction and strategy of the business as well as the framework and objectives of the business 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 as well as the risks inherent in the business are controlled in a satisfactory manner in accordance with external and internal rules
- deciding on major acquisitions and divestments as well as other major investments

NOMINATION COMMITTEE FOR THE 2016 AGM

Member	Representing	Votes, % 31 Aug. 2015
Petra Hedengran, <i>Chairman</i>	Investor	20.9
Staffan Greffbäck	Alecta	6.1
Lars Heikensten	Trygg-Stiftelsen	6.0
Peder Hasslev	AMF Insurance and Funds	2.5
Marcus Wallenberg	SEB, Chairman of the Board	
		35.5

Urban Jansson, *additional member, appointed by the Board*

BOARD OF DIRECTORS (page 48–51)

WINNIE FOK



BIRGITTA KANTOLA



TOMAS NICOLIN



SVEN NYMAN



Position	Director	Director	Director	Director
Committee	● ACC	● ACC	● RCC	● RemCo
Year elected	2013	2010	2009	2013
Born	1956	1948	1954	1959
Education	Bachelor of Commerce	LLM and Econ. Dr. H.C.	B. Sc. (Econ) and M.Sc. (Management)	B.Sc. (Business and Econ.)
Other assignments	Director of Volvo Car Corporation, G4S plc and Kemira Oyj. Member of the Investment Committee of HOPU Investments Co, Ltd. Senior Advisor to FAM AB.	Director of Nobina AB.	Chairman of Centre for Justice. Director of Nordstjernan AB, Nobel Foundation, Axel and Margaret Ax:son Johnsons Foundation and Research Institute of Industrial Economics.	Chairman of RAM Rational Asset Management AB. Director of RAM ONE AB, Consilio International AB, Nobel Foundation Investment Committee, Stockholm School of Economics and Stockholm School of Economics Association.
Background	Broad experience from the financial business field. Certified Public Accountant in Australia and in Hong Kong. Member of the Institute of Chartered Accountants in England and Wales. Industrial advisor and Senior Advisor to Investor and Husqvarna. CEO and Senior Partner of EQT Partners Asia Ltd and CEO of New Asia Partners Ltd.	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 (World Bank Group), Washington D.C. Deputy General Manager of Ålandsbanken, Finland.	Broad experience in the financial sector as CEO of Alecta, Third National Swedish Pension Fund and E. Öhman J:or Fondkommission as well as a leading position in Handelsbanken. Several directorships.	Broad experience from the financial business field. Managerial positions within Investor. CEO and founder of Lancelot Asset Management and Arbitech. Several directorships.
Nationality	British	Finnish	Swedish	Swedish
Own and closely related persons' shareholdings	3,000 Class A shares.	30,000 Class A shares	66,000 Class A shares	10,440 Class A shares and 10,200 Class C shares
Independent in relation to bank/major shareholders	Yes/Yes	Yes/Yes	Yes/Yes	Yes/Yes
Attendance at board/committee meetings	10 of 10 / 4 of 5	9 of 10 / 6 of 6	10 of 10 / 21 of 21	10 of 10 / 8 of 8
Remuneration, Board meetings, SEK	650,000	650,000	650,000	650,000
Remuneration, Committee meetings, SEK	195,000	387,500	325,000	387,500

● Chair ● Deputy Chair ● Member 1) Deputy Director 2003–2007 2) Deputy Director 2011–2014 3) Deputy Director 2012–2013, Director 2013–2014

- appointment or dismissal of the President, the Chief Risk Officer (CRO), the members of the GEC and the Head of Group Internal Audit, as well as these individuals' remuneration.

The Chairman of the Board organises and directs the work of the Board and ensures among other things that the directors on a regular basis receive information and education on changes in rules concerning the activities of SEB and on responsibilities of directors of a listed financial company. Educational and specialisation seminars are held each year and new directors are offered seminars with information on and discussion about the group's various operations, including information about the control functions.

The directors are elected by the shareholders at the AGM for a one-year term. Since the 2015 AGM the Board has consisted of eleven AGM-elected directors, without deputies, and of two directors and two deputies who serve as employee representatives. In order for a quorum to exist at a Board meeting, more than half of the directors must be present. The President is the only AGM-elected director employed by the bank. The Nomination Committee has assessed the directors' independence in relation to the bank and the bank's management as well as in relation to shareholders controlling more than 10 per cent of the shares or votes and has found that the composition of the Board meets the requirements of the Code.

CONTACT THE BOARD OF DIRECTORS:

Skandinaviska Enskilda Banken, Board Secretariat, SE-106 40 Stockholm, Sweden (sebboardsecretariat@seb.se)

Appointed by the employees:

MAGDALENA OLOFSSON	HÅKAN WESTERBERG	MARIA LINDBLAD	CHARLOTTA LINDHOLM
			
Director, appointed by the employees.	Director, appointed by the employees.	Deputy Director, appointed by the employees.	Deputy Director, appointed by the employees.
2012 ¹⁾ 1953 Studies in Economics and Accounting Chairman of Financial Sector Union of Sweden SEB Group and the European Works Council SEB Group. Vice chairman of Financial Sector Union Sweden Regional Club Stockholm and East. Director of Financial Sector Union Sweden.	2015 ²⁾ 1968 Engineering logistics Chairman of the Association of University Graduates at SEB.	2012 ³⁾ 1953 B.Sc. (Econ) Katowice School of Economics, Poland First Deputy Chairman of Financial Sector Union of Sweden SEB Group and Chairman of Financial Sector Union of Sweden Regional Club Stockholm City SEB Group.	2015 1959 LLB Vice Chairman of the Association of University Graduates at SEB. Director of the Foundation of Alma Detthows.
Various positions in SEB. Director of Finance and Insurance Unemployment Benefit Fund and SEB BoLån.	Sales manager at Trygg-Hansa in the property insurance business. SEB in various positions in systems management and IT development, currently Systems Management Advisor.	SEB - FinansSkandic and the Merchant Banking division.	Various client responsibility positions in several divisions and subsidiaries in the SEB Group. Presently, client executive at Wealth Management, Private Banking, Foundations.
Swedish	Swedish	Swedish	Swedish
0 shares	3,224 Class A shares	5,789 Class A shares	5,001 Class A shares
-	-	-	-
9 of 10 / -	10 of 10 / -	10 of 10 / -	8 of 8 / -
-	-	-	-
-	-	-	-

— BOARD MEETINGS 2015 —

FEBRUARY	MARCH	APRIL	JUNE	SEPTEMBER	OCTOBER	DECEMBER
<ul style="list-style-type: none"> Annual accounts AGM notification and AGM proposals Balance sheet, capital and dividend policy Risk position, asset quality, credit portfolio, liquidity situation Internal and external audit, compliance Macroeconomic review IT business review 2014 annual report 	<ul style="list-style-type: none"> AGM Statutory meeting Remuneration issues 	<ul style="list-style-type: none"> Quarterly report Risk position, asset quality, credit portfolio, liquidity situation Risk tolerance and limits Internal capital and liquidity review Business review of Payments Business review small and medium-sized companies Corporate sustainability Group talent review and succession planning 	<ul style="list-style-type: none"> Vision 2025 – discussion on long-term development for the bank, innovation and new digital landscape Review of employee survey (Insight) <p>JULY</p> <ul style="list-style-type: none"> Macroeconomic review Quarterly report Risk position, asset quality, credit portfolio, liquidity situation 	<ul style="list-style-type: none"> Business review of operations in Germany and visit to Germany IT security Appointment of new Chief Risk Officer (CRO) 	<ul style="list-style-type: none"> Macroeconomic review Quarterly report Risk position, asset quality, credit portfolio, liquidity situation Recovery and Resolution Plan Vision 2025 – update Customer-centric organisation – discussion 	<ul style="list-style-type: none"> Business plan, financial plans, forecasts Annual review of policies and instructions Board and CEO evaluation US Resolution Plan

The work of the Board follows a yearly plan. In 2015, ten board meetings were held. The President attends all board meetings except those dealing with matters in which the President has an interest that may be in conflict with the interests of the Bank, such as when the President's work is evaluated. Other members of management participate whenever required.

Directors' fees

SEB's 2015 AGM set total fees of SEK 11,990,000 for the members of the Board and decided how these fees are to be distributed among the Board and its committees. Directors' fees are paid on a running basis during the mandate period.

Following a recommendation by the Nomination Committee, the Board has adopted a policy that recommends that board members use 25 per cent of the director's fee to purchase and hold own SEB shares up to an amount corresponding to one year's fee.

Board committees

The Board's overall responsibility 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, there are three committees: the Risk and Capital Committee (RCC), the Audit and Compliance Committee (ACC), and the Remuneration and Human Resources Committee (RemCo). These committees report to the Board on a regular basis. An important principle is that as many board members as possible shall participate in committee work, also as chairs. The Chairman of the Board is deputy chairman in the three committees. Neither the President nor any other officer of the bank is a member of the committees.

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:

- 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 was 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 help 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 Urban Jansson, one of the Deputy Chairmen.

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

RISK AND CAPITAL COMMITTEE



"Important areas in 2015 were new capital requirements and SEB's adaptation to these as well as the internal capital and liquidity assessment. RCC has continued to follow the bank's credit portfolio and risk tolerance as well as developments in the household mortgage market. The macroeconomic situation, with specific focus on

Greece and implications for the euro cooperation, and the impact from negative interest rates has been monitored. RCC has also reviewed the qualification criteria for an executive in relation to the internal recruitment of new CRO."

Urban Jansson, Chairman

The RCC supports the Board in ensuring that SEB is organised and managed in such a way that all risks inherent in the group's business are controlled in accordance with the Board's risk tolerance statement as well as with external and internal rules. The RCC also monitors the group's 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 risk tolerance and strategy for near and long term. The RCC prepares a recommendation for the appointment and dismissal of the CRO. It also decides on individual credit matters of major importance or of importance as to principles and assists the RemCo in providing a risk and capital based view on the remuneration system. The RCC held 21 meetings in 2015.

The group's Chief Financial Officer (CFO) has overall responsibility for informing and submitting proposals to the RCC on matters related to capital and funding. The CRO has the same overall responsibility regarding risk and credit matters. The President, the CFO and the CRO regularly participate in the meetings. *The risk organisation is described on p. 56. Information on risk, liquidity and capital management is provided on p. 40.*

RCC members

Urban Jansson (Chairman), Marcus Wallenberg (Deputy Chairman), Jesper Ovesen and Tomas Nicolin.

The RCC's work during 2015:

- monitored the implementation of group policies and adoption of credit policies and instructions
- monitored the risk development with focus on long-term stability of the Swedish residential housing market
- monitored the macroeconomic development
- prepared matters concerning market and liquidity risk limits
- reviewed significant changes in the credit portfolio and of the credit process
- reviewed models and methods for risk measurement
- discussed adaptation to new capital requirements
- reviewed the overall capital and liquidity strategy and position including internal capital and liquidity assessment
- prepared matters concerning the group's capital goals and capital management, such as the dividend proposal
- prepared a proposal to the Board for new Chief Risk Officer
- reviewed reports from internal audit and compliance
- held strategic discussions on holistic financial and balance sheet management
- discussed negative interest rates implications.

AUDIT AND COMPLIANCE COMMITTEE



"ACC has during 2015 been occupied with the changing regulatory environment both in the European and other markets. The committee continued to focus on the quality of the financial reporting. The accounting policy for negative interest rates were among others issues dealt with. In focus were also the bank's internal

control over financial reporting and other processes in order to maintain customers' and other stakeholders' confidence in the bank. The work included SEB's procedures against money laundering and financing of terrorism. ACC has specifically reviewed the implementation of enhanced routines for documentation of investment advice. New regulations on auditing and auditors' independence have also been dealt with."

Birgitta Kantola, Chairman

The ACC supports the Board in its work with quality assurance of the bank's financial reporting and internal control over the financial reporting and reporting to supervisors. 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 their activities. It ensures that any remarks and observations from the auditors are addressed. The Committee also 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 six meetings in 2015. The CFO, the external auditors, the Head of Group Internal Audit and the Head of Group Compliance submit matters and reports for the Committee's consideration. The President, the CFO and the CRO regularly participate in the meetings. [The Report on Internal Control over Financial Reporting can be found on p.60.](#)

ACC members

Birgitta Kantola (Chairman), Marcus Wallenberg (Deputy Chairman) and Winnie Fok.

The ACC's work during 2015:

- reviewed the annual accounts and interim reports as well as audit reports
- monitored the group's internal audit
- monitored compliance issues
- monitored the internal control over financial reporting
- monitored internal control over supervisory reporting
- monitored services, other than auditing services, procured from the external auditors
- drafted a recommendation to the Nomination Committee for election of the external auditor by the AGM
- adopted an annual audit plan for the Internal Audit function, co-ordinated with the external audit plan
- approved the annual Group Compliance plan
- held 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



"Ensuring sourcing of future leaders as well as business critical specialists is of vital importance for SEB's success and development. RemCo therefore puts large efforts in developing stable remuneration systems and a good remuneration practice to support this work. In 2015 remuneration matters, succession planning, group talent review and other human resources issues were prepared by RemCo. During the year RemCo has also assessed the suitability of executives among others in relation to internal recruitments of a new CRO and members of the GEC."

Sven Nyman, 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 remuneration system and remuneration practice, incentive programmes, risk adjustment of deferred variable pay 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 SEB's remuneration system to the Remuneration Policy is presented to the Committee annually.

RemCo reviews, in consultation with the RCC, SEB's Remuneration Policy and investigates if the bank's incentive structure takes into account the risks and the cost of capital and liquidity. The analysis is among other things based on the risk analysis performed jointly by Group Risk, Group Compliance and Group HR.

In addition, the Committee oversees the group's pension obligations and, 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 2015.

The President, together with the Head of Group HR, makes presentations to the Committee on matters in which there are no conflicts of interest. [The Remuneration Report can be found on p. 58.](#)

RemCo members

Sven Nyman (Chairman), Marcus Wallenberg (Deputy Chairman) and Signhild Arnegård Hansen.

The RemCo's work during 2015:

- reviewed the Remuneration Policy including the definition of categories of staff who have a material impact on SEB's risk profile
- proposed remuneration guidelines for the President and members of the GEC
- developed long-term equity programmes
- proposed remuneration of the President and members of the GEC in accordance with the guidelines adopted by the AGM
- preparation for decision by the Board on proposed new CRO
- proposed remuneration of the Head of Group Internal Audit, the CRO and the Head of Group Compliance in accordance with the Remuneration Policy
- monitored remuneration principles, variable remuneration programmes and pension obligations
- followed up the annual Group Talent Review
- reviewed and discussed adaptations and implementation of regulations affecting the bank's remuneration structure.

GROUP EXECUTIVE COMMITTEE



	ANNIKA FALKENGREN	MAGNUS CARLSSON	JOACHIM ALPEN	JAN ERIK BACK
Position	President and CEO since 2005	Deputy President & CEO since 2014	Co-head of the Large Corporates & Financial Institutions division since 2016	Executive Vice President, Chief Financial Officer since 2008
GEC member since	2000	2005	2014	2008
SEB employee since	1987	1993	2001	2008
Born	1962	1956	1967	1961
Education	B. Sc. (Econ)	B. Sc. (Econ)	M.A. (International relations)	B. Sc. (Econ)
Nationality	Swedish	Swedish	Swedish	Swedish
Own and closely related persons' shareholding	378,123 Class A shares, 72,675 performance shares, 294,190 conditional share rights and 69,187 share rights.	54,998 Class A shares, 173,745 conditional share rights and 41,512 share rights.	5,933 Class A shares, 13,469 conditional share rights, 18,431 deferral rights and 49,111 share rights.	60,968 Class A shares, 152,949 conditional share rights and 34,593 share rights.

	ULF PETERSON	DAVID TEARE	JOHAN TORGEBY	MATS TORSTENDAHL
Position	Head of Group Human Resources since 2010	Chief Risk Officer since 2016	Co-head of the Large Corporates & Financial Institutions division since 2016	Executive Vice President, Co-head of the Corporate & Private Customers division since 2016
GEC member since	2010	2011	2014	2009
SEB employee since	1987	2006	2009	2009
Born	1961	1963	1974	1961
Education	LLB	B. Comm.	B.Sc. (Econ).	M.Sc. (Engineering Physics).
Nationality	Swedish	British	Swedish	Swedish
Own and closely related persons' shareholding	11,489 Class A shares, 13,253 performance shares, 74,007 conditional share rights and 17,296 share rights.	54,677 Class A shares, 76,895 conditional share rights and 16,605 share rights.	5,390 Class A shares, 11,306 deferral rights, 10,717 conditional share rights and 19,707 share rights.	114,219 Class A shares, 151,277 conditional share rights and 34,593 share rights.

THE PRESIDENT

The Board has adopted an instruction for the President's duties and role. The President, who is also the Chief Executive Officer, is responsible for administrating the bank's business, risk and compliance matters in accordance with the strategy, 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 support functions that report directly to the President.

The President's committees

The President has three main committees at her disposal for the purpose of managing the operations:

The Group Executive Committee (GEC)

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 22 meetings in 2015.



CHRISTOFFER MALMER



ULF PETERSON



MATS TORSTENDAHL



RASMUS JÄRBORG



DAVID TEARE

PETER DAHLGREN



JOHAN ANDERSSON



MARCUS NYSTÉN

PETER HÖLTERMAND

PETER DAHLGREN	VIVEKA HIRDMAN-RYRBERG	MARTIN JOHANSSON	CHRISTOFFER MALMER
Head of the Life & Investment Management division since 2016	Head of Group Communications since 2009. Chairman of the Corporate Sustainability Committee.	Head of Business Support since 2011	Co-head of the Corporate & Private Customers division since 2016
2014	2009	2009	2014
2008	1990	2005	2011
1972	1963	1962	1975
Swedish	B.Sc. and Lic. Sc. (Econ). Swedish	B.Sc. (Econ). Swedish	B.A. (International business) Swedish
58,341 Class A shares, 5,296 deferral rights and 30,508 conditional share rights.	62,761 Class A shares, 50,756 conditional share rights and 12,453 share rights.	44,237 Class A shares, 123,459 conditional share rights and 27,674 share rights.	59,142 Class A shares, 17,023 conditional share rights and 11,306 deferral rights.

Additional members:

JOHAN ANDERSSON	PETER HÖLTERMAND	RASMUS JÄRBORG	MARCUS NYSTÉN	WILLIAM PAUS
Country Manager SEB Germany since 2016	Country Manager SEB Denmark since 2002	Chief Strategy Officer since 2015	Country Manager SEB Finland since 2010	Country Manager SEB Norway since 2010
2009	2011	2015	2014	2011
1980	1997	2008	1998	1992
1957	1963	1976	1960	1967
B.Sc. (Econ) Swedish	B.Sc. (Econ) Danish	M.Sc. (Econ) Swedish	M.Sc. (Econ) Finnish	M. Sc. (Econ) Norwegian
49,760 Class A shares and 22 Class C shares.	25,239 Class A shares, 12,096 deferral rights and 13,227 conditional phantom shares.	5,419 Class A shares, 20,903 conditional share rights, 2,648 deferral rights and 8,953 share rights.	102,354 Class A shares, 11,690 deferral rights and 12,133 conditional phantom shares.	34,312 Class A shares, 15,425 deferral rights and 11,261 conditional phantom shares.

— ON THE GEC AGENDA 2015 —

- Macroeconomic updates
- Annual accounts and quarterly reports
- AGM preparations
- Vision 2025 – discussion on long term development for the bank, innovations and the new digital landscape
- Business Plan 2016 – 2020
- Establishment of an Innovation Lab to accommodate in-house innovation
- Reviews of the bank's different businesses and home markets
- Discussions on a new customer-centric organisation
- Nordic branding and image position
- Negative interest rates
- Review of IT and IT security
- Employee Insight survey 2015 – actions
- Corporate sustainability
- Handling of customer complaints
- Discussion on capital requirements, asset quality and risk
- Internal Audit and Compliance
- Annual review of policies and instructions
- The bank's purpose, vision and values

The Asset and Liability Committee (ALCO)

The ALCO, chaired by the President and with the CFO as deputy chair, is a group-wide decision-making, monitoring and consultative body. The ALCO, which held twelve meetings in 2015, handles the following matters, among others:

- financial stability – particularly in the new regulatory framework
- strategic capital and liquidity issues – including internal capital allocation and principles for internal pricing
- structural issues and issues related to the bank’s balance sheet and business volumes
- financing of wholly-owned subsidiaries
- the balance sheet and funding strategy for the SEB Group.

The Group Risk Committee (GRC)

The GRC, chaired by the President and with the CRO as deputy chair, is a group-wide, decision-making committee that addresses all types of risk at group level in order to evaluate portfolios, products and clients from a comprehensive risk perspective. The GRC held 57 meetings in 2015.

The GRC is tasked with:

- making important credit decisions
- ensuring that all risks inherent in the group’s activities are identified, defined, measured, monitored and controlled in accordance with internal and external rules
- supporting the President in ensuring that decisions regarding the group’s long-term risk tolerance 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 group are maintained and enforced.

DIVISIONS AND BUSINESS AREAS

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 as from January 1, 2016 organised in four divisions. Each division is responsible for the subsidiaries designated to the division. The Head or Co-heads of Division have overall responsibility for the activities in the business areas and appoints, after consultation with the President, heads of the business units within the division.

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 economies of scale in processes and IT. Business Support covers such areas as transaction processing, development, maintenance and operation of IT systems, and management of SEB’s IT portfolio. A separate committee has been established by the President as a forum for the continuous management of SEB’s IT development portfolio and decisions on IT-related matters.

SEB’s staff functions have global accountability and support the organisation.

THE CRO FUNCTION

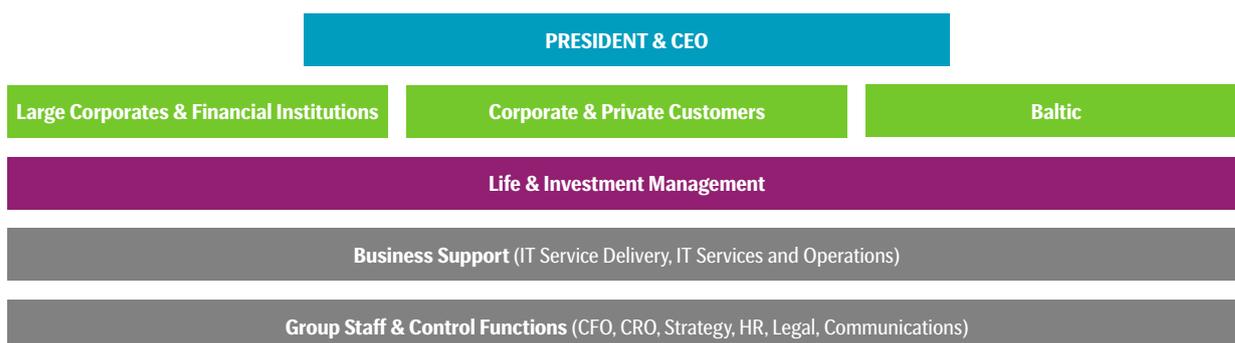
The CRO function is independent from the business and is responsible for identifying, measuring, analysing and controlling SEB’s risks. The Chief Risk Officer (CRO) is appointed by the Board and reports to the President. The CRO keeps the Board, the RCC, the ACC, the GEC, the ALCO and the GRC regularly informed about risk matters. The CRO has global functional responsibility and the activities of the CRO are governed by and set out in an instruction adopted by the Board.

The CRO function is organised in two units: Group Risk and Group Credits.

Group Risk handles the group’s risks. It aggregates and analyses consolidated risk data across risk types and the group’s credit portfolios, handles models for the risk weighting and general matters surrounding risk governance and risk disclosure.

Group Credits is responsible for managing the credit approval process, for certain individual credit decisions 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 chairs of the respective divisional credit committees have the right to veto credit decisions. Significant exceptions to the group’s Credit Policy must be escalated to a higher level in the decision-making hierarchy. The Head of Group Risk and the Group Credit Officer are appointed by the President, upon recommendation by the CRO, and report to the CRO. *For further information about risk, liquidity and capital management. see p. 40.*

SEB’S ORGANISATION (as from 1 January 2016)



GROUP COMPLIANCE

The Group Compliance function is independent from the business activities while serving as a support function. The Compliance function shall act proactively to assure the quality of compliance in the group. 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, who is appointed by the President after approval by the ACC, reports regularly to the President and the GEC, and informs the ACC, the RCC and the Board about compliance issues. Following a group-wide compliance risk assessment and approval by the ACC, the President adopts an annual compliance plan.

GROUP INTERNAL AUDIT

Group Internal Audit is a group-wide assurance and control function commissioned by the Board to independently eval-

uate the group’s activities. The Head of Group Internal Audit is appointed by the Board. The main task of Group Internal Audit is to evaluate and give assurance to the Board and President that governance, risk management and internal controls are adequate and effective. The work is performed with a risk-based approach in accordance with the methodology developed by the Institute of Internal Auditors. Each year ACC adopts a plan for the work of Internal Audit. The Head of Internal Audit reports the findings of completed audits, actions taken and the status of previously reported findings quarterly to the ACC and also provides reports to the RCC and the Board. The President and GEC are regularly informed about internal audit matters. Group Internal Audit’s work is evaluated in a quality assessment, at least every fifth year, by an independent party. Group Internal Audit co-ordinates its work covering the bank’s financial reporting with the bank’s external auditors. The bank’s external auditors rely to some extent on the work of Group Internal Audit in its assignment to review the group’s financial reporting. This requires that the external auditors evaluate Group Internal Audit’s work. The conclusion of this evaluation is reported to the ACC and Group Internal Audit.

INFORMATION ABOUT THE AUDITOR

According to SEB’s 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 2015 for the period up

to and including the 2016 AGM. The partner in charge, as from the 2012 AGM, is Peter Nyllinge, Authorised Public Accountant. The fees charged by the auditors for the auditing of 2014 and 2015 financial years and for other assignments invoiced during these periods are shown in the table below.

FEES TO THE AUDITORS

SEK m	2015	2014
Audit assignment	26	27
Audit related services	20	30
Tax advisory	20	13
Other	5	6
Total¹⁾	71	76

1) Of which PricewaterhouseCoopers SEK 69m (74). See also note 10.

AUDITOR

Elected by the Annual General Meeting PricewaterhouseCoopers

Peter Nyllinge

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

Other assignments: Ericsson and Fagerhult.
Previous assignments: Securitas and Assa Abloy.

