



# Content



## Page 4 Strategy

SEB prioritises three strategic areas: long-term customer relationships, expansion as a corporate bank in the Nordic countries and in Germany, and ensuring financial resilience.

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### Large corporates and institutions

Close relationships and deep knowledge about customers' needs are the foundation of SEB's work with corporate customers and financial institutions. In 2011, SEB continued its expansion in the Nordic countries and Germany.



## Page 10

### Small and medium-sized companies

SEB's continued focus on small and medium-sized companies attracted 20,000 new business customers in Sweden and the Baltic countries in 2011.

## Page 14

### Private individuals

SEB assists private customers with simple, everyday services as well as more complex matters. We look at the customer's entire situation in every advisory meeting.



## Page 25

### Analysts ask SEB

Analysts' questions for SEB during the year were dominated by economic worries and addressed matters such as liquidity and the development of capital regulation.

## Page 26

### The year in figures

Despite anxiety over the economy, SEB's operating profit grew 35 per cent. Income was 3 per cent higher than in 2010, and SEK 0.8bn in credit loss provisions could be reversed.

	2011	2010
Operating income	37,686	36,735
Profit before credit losses	14,565	12,984
Operating profit	15,345	11,389
Net profit from continuing operations	12,299	8,820
Return on equity, continuing operations	11.89	8.89
Earnings per share, continuing operations	5.59	4.00
Proposed dividend	1.75	1.50
Core Tier I capital ratio <sup>1)</sup>	13.7	12.2
Tier I capital ratio <sup>1)</sup>	15.9	14.2

# 2011 in brief

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1) without Basel II transitional floor

## The most important events in 2011:

- Increased anxiety regarding global imbalance and the sovereign financial situation led to uncertainty in the financial markets.
- In this macroeconomic environment, the development in SEB's markets – the Nordic and Baltic countries and Germany – was more stable.
- SEB strengthened its resilience by increasing the liquidity reserves, extending the maturities of its funding and by reducing risk in the bond portfolio.
- SEB's investment in the Nordic and German corporate segments has resulted in more than 100 new large corporate customers and 11,000 new SME customers in Sweden. In addition, SEB gained close to 9,000 new SME customers in the Baltic countries. The number of private customers increased by 90,000.
- Loan volumes grew by SEK 111bn and deposit volumes by SEK 150bn.
- SEB announced its flat cost target, a cost cap of SEK 24bn applied through the year 2014. For 2012 the ambition was raised and the cap is now SEK 23.1bn.
- The divestment of the German retail operations was finalised and an agreement to divest the Ukrainian retail operations was made.

## Cover

Liselotte Mikaelsson, CFO Repay, and Lennart Persson, Corporate Advisor SEB, at Repay's office in the city of Skellefteå.

**SEB is a leading Nordic financial services group. As a relationship bank strongly committed to deliver customer value, SEB in Sweden and the Baltic countries offers financial advice and a wide range of financial services. In Denmark, Finland, Norway and Germany the Bank's operations have a strong focus on a full-service offering to corporate and institutional clients. SEB's activities are carried out with a long-term perspective to fulfil the Bank's role to assist businesses and markets to thrive. The international nature of SEB's business is reflected in its presence in some 20 countries worldwide. SEB serves more than 4 million customers and has around 17,000 employees.**

## SEB's customers

*Rewarding relationships are the cornerstones of our business. Ever since A O Wallenberg founded SEB in 1856, we have provided financial services to assist our customers in reaching their financial objectives.*



# 2,700

**Corporates and institutions**

SEB is the leading corporate and investment bank in the Nordic countries, serving large corporations, financial institutions, banks and commercial real estate clients with corporate banking, trading and capital markets and global transaction services. Comprehensive pension and asset management solutions are also offered.



# 400,000

**SME customers**

SEB offers small and medium-sized corporate customers several customized products that were initially developed in co-operation with SEB's large corporate clients. In addition, numerous services are specifically designed for small companies and entrepreneurs.



# 4,000,000

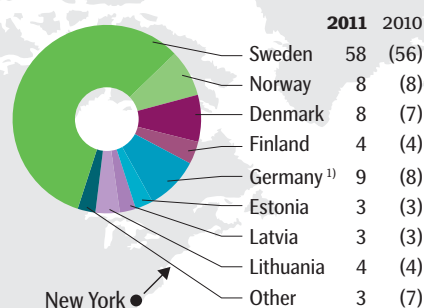
**Private customers**

SEB provides some four million individuals with products and services to meet their financial needs. These include products and services for daily finances, savings, wealth management, loans and life insurance.

## SEB's markets

### Operating income

Geographical distribution, per cent



SEB's activities principally embrace customers based in the Nordic and Baltic countries and Germany. Sweden is the single largest market, accounting for more than half of operating income in 2011.

1) Excluding centralised treasury operations

### Branches and representative offices

SEB representation worldwide



## SEB's divisions

**Merchant Banking** – Commercial and investment banking services to large corporate and institutional clients in 18 countries, mainly in the Nordic region and Germany.

**Retail Banking** – Banking and advisory services to private individuals and small and medium-sized corporate customers in Sweden as well as card operations in the Nordic countries.

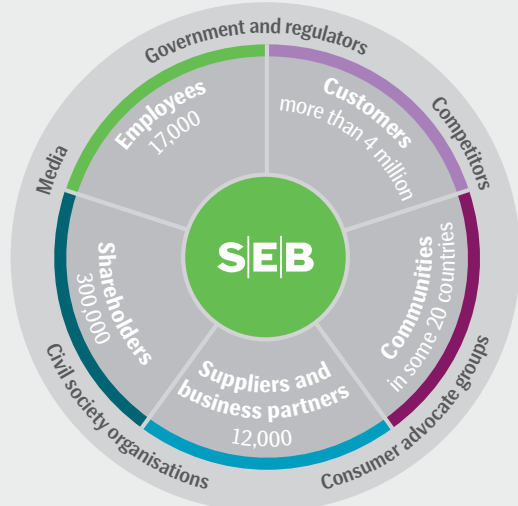
**Wealth Management** – Asset management, investment management, including mutual funds, and private banking services to institutional clients and high net worth individuals.

**Life** – Life insurance products for private individuals and corporate customers, mainly in Sweden, Denmark and the Baltic countries.

**Baltic** – Banking and advisory services to private individuals and small and medium-sized corporate customers in Estonia, Latvia and Lithuania.

Operating income	Operating profit
SEK 17,529m (16,291)	SEK 8,321m (7,330)
SEK 9,419m (8,569)	SEK 2,602m (1,910)
SEK 4,447m (4,384)	SEK 1,481m (1,477)
SEK 4,471m (4,539)	SEK 3,145m (3,182)
SEK 3,206m (3,340)	SEK 2,748m (261)

## SEB's stakeholders



## SEB's value distribution

SEB distributes economic value to stakeholders other than customers. In 2011, SEK 31bn was distributed (29).





## SEB's strategic priorities



### Customer focus

SEB provides advice with a long-term perspective based on the customer's overall financial situation.

### Leading Nordic corporate bank

SEB grows through an increased share of existing customer business and through increased activity versus new corporate customers.



### Resilience and flexibility

SEB prioritises to maintain a strong capital and liquidity position in order to ensure the long-term capacity to support our customers in all circumstances.

# The relationship bank in our part of the world

2011 was in many ways a difficult year. The financial markets were marked by uncertainty and high volatility on the back of the severe sovereign debt situation in Europe. The global banking system has thus faced challenges which also included adapting to a new regulatory framework on capital and liquidity. In this climate, resilience in terms of a strong balance sheet, stable income growth and a long-term perspective has been more important than ever for a bank. SEB has that resilience.

## Resilience and flexibility

Over the past years, we have focused SEB's strategy as the Relationship bank in our part of the world, firmly rooted in the belief that strong financial stability and long-term customer relationships are key to profitability. Two priorities have guided us – resilience and flexibility. Through a strong balance sheet and sufficient liquidity reserves, we can support our customers as a financial partner in good and bad times while at the same time have the flexibility to grow together with our customers.

It is against this background that we have taken steps towards increasing the integration of the bank into 'One SEB', where customers' needs and perspectives – not the product perspective – drives our actions. Other examples include investments in IT capacity and a risk reduction in the balance sheet. SEB has a stable and high quality credit portfolio of which more than 90 per cent is exposed to the Nordic countries and Germany, where the loss level has remained low – below 0.1 percentage points over the past ten years.

**“SEB's strategy remains firm – customer focus and growth in selected areas, continued cost efficiency and maintained resilience.”**

## Stronger balance sheet and deepened customer relations

Resilience and flexibility guided our priorities also in 2011. SEB has a unique role as financial partner for 2,700 large corporations and financial institutions and increasingly so for 400,000 small and medium sized companies and 4 million private customers. As the uncertainty in the Euro-area increased, we chose to take the costs of prolonging our funding, increase liquidity reserves and raise the quality in our bond portfolio. We improved our capital ratios further and SEB is now one of Europe's best capitalised banks. SEB's strong balance sheet was recognised by Standard & Poor's in their credit rating upgrade of SEB.

Customers meet a more integrated bank where it is easier to do business with us. One effect is that despite the increased uncertainty, customers chose to increase their business volumes with SEB. Deposits increased by SEK 150bn, corporate lending by SEK 62bn and household lending by SEK 46bn.



### Growth in core areas

In line with our focused strategy, we finalised the sale of the German retail business and also sold our bank in Ukraine. We are well positioned for growth in a more robust part of Europe.

In the Nordic region and Germany, we have gained 200 new large corporate customers since the start of our investment in 2010. More Swedish small and medium-sized companies claim SEB as their home bank. We have also co-ordinated advisory services and product development in the savings area into one unit; all to better meet customer needs of a holistic savings approach.

### Increased cost efficiency

The new regulatory framework on capital and liquidity will increase costs for the banking industry and thus raise the requirement on cost efficiency. In 2011, costs were below the SEK 24bn target as of 2014. We have therefore raised our ambition to keep costs at this lower level of SEK 23.1bn for 2012.

## “Customers’ needs and perspectives drive our action.”

### The Relationship bank

An environment of low interest rates and higher capital requirements is challenging. Nevertheless, SEB's strategy remains firm – customer focus, growth in selected areas, cost efficiency and maintained resilience. Together with all of SEB's fantastic employees, I am deeply committed to reach our long-term aim to be the Relationship bank in our part of the world.

Stockholm, February 2012

Annika Falkengren  
President and Chief Executive Officer

# Strategy and markets

*SEB's strategic direction remains firm: SEB shall serve as and be perceived as the Relationship Bank in its part of the world. By combining the bank's entire range of expertise with first-class products and processes, SEB creates value for its customers. The strategy is to reduce complexity, refine the bank's organisational structure and maintain the financial strength needed to serve customers regardless of economic development.*

## SEB – the Relationship Bank

### Mission

To help people and businesses thrive by providing quality advice and financial resources.

### Vision

To be *the* trusted partner for customers with aspirations.

Founded in the service of enterprise more than 150 years ago, through the years SEB has played an active part in societal development in the markets in which it works. SEB has long been the bank of choice for large companies and institutions in Sweden and, increasingly, in the rest of the Nordic and Baltic countries. This is evident not only in the business mix – with a concentration on corporate and institutional clients – but also in the way business is conducted. At SEB the customer always comes first, because through long-term perspective and long-term relationships come sustainable profitability.

By serving as and being perceived as the relationship bank in the region, SEB seeks to fulfil its mission to help people and businesses thrive by providing sound advice and financial resources and thereby live up to its vision to be *the* trusted partner for customers with aspirations.

### Strategic building blocks

Since the financial crisis in 2008 and 2009, the bank's strategy has been further clarified and now rests on the following three pillars:

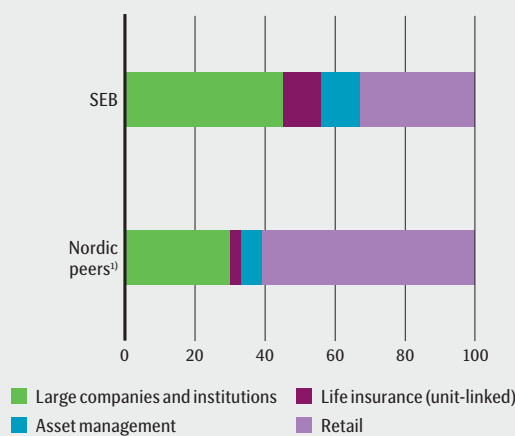
- to build and develop relationships with the bank's customers so that they can rest assured that SEB always puts their needs first;
- to grow in a disciplined fashion in selected core markets, such as large corporate business in the Nordic countries and Germany, small and medium-sized enterprises in Sweden, and savings for individuals, institutions and companies;
- to ensure the financial strength needed to demonstrate – in a trustworthy manner to customers, counterparties, lenders, investors and the general public – stability and resilience as a long-term player, coupled with flexibility to adapt growth investments to prevailing market conditions.

### Customer first

In its ambition to be the Relationship bank, SEB takes the customer's perspective into account in everything it does. At SEB we strive to meet the customer's needs in all situations – in both the near and long term. This requires empowering our employees to make the right decisions for the customer and SEB, and adhering to the bank's fundamental tenet that customer loyalty leads to long-term profitability. The overall picture in 2011 is that the bank's customer orientation is generating tangible results and that SEB's status as the Relationship bank was strengthened during the year. SEB has received market-leading customer satisfaction scores among

### The leading Nordic corporate bank

Share of total income 2011, per cent



1) Aggregated income distribution of Swedbank, SHB, Nordea, Danske Bank and DNB. Business units only (indicative)



large corporates and institutions, and average scores for customer satisfaction among small businesses and private individuals.

For a bank like SEB, which is widely regarded to be the market leader in a host of product areas, including equity trading, cash management, custody account services, company acquisitions, currency trading and unit linked insurance, the transformation into a truly customer-centric bank has entailed a number of changes. A holistic customer perspective puts requirements on systems, decision-making paths and a company culture in which the customer perspective and own responsibility are at the very core.

### Disciplined investments in growth

The bank's investments on top of its existing customer business are made primarily in three areas: large corporate business in the Nordic countries and Germany, small and medium-sized enterprises in Sweden, and general savings and asset management. The conditions for SEB to expand in these areas are particularly favourable in view of the bank's traditional position of strength. SEB's expansion will take place primarily organically, driven by a growing share of existing customers' business, greater activity among new customers and an increase in lending. This expansion will be balanced by continued strong risk management and thorough risk

analysis. Competition from other Nordic banks is fierce, which also reflects the robust and well capitalised condition of the Nordic banking system, with low exposure to Euro-zone countries experiencing sovereign debt problems. At the same time, competition from European and international banks has decreased as a result of weaker balance sheets and large exposures in the euro zone.

There are opportunities in presenting a holistic and advice-oriented savings offering for the bank's customers regardless of whether their interest is in short-term or long-term savings. By gathering advisory activities together with product development in a single organisation, the bank can better meet customers' needs for savings solutions in a financial environment characterised by high volatility. Parallel with this, long-term shifts are taking place in demographics and in individuals' needs for financial security after retirement.

### Resilience and flexibility

SEB's strong capital base and funding, its stable market position and its advantageous competitive situation in the Nordic corporates market are factors that help the bank to seize opportunities in the market as they arise.

## Meeting customers' needs

### Large corporates



- New branch office in Hong Kong
- Green bonds of USD 2bn

### New large corporate customers and client executives

In the Nordic region and Germany, number



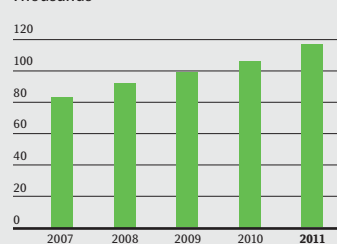
### SMEs



- All-inclusive advice for the company, the owner and the employees
- New meeting points

### SME customers in Sweden

Thousands



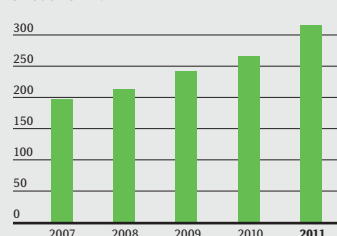
### Private



- Mobile bank services
- Personal advice offered to 400,000 customers in Sweden

### Residential mortgage loans

Sweden SEK bn



# “Important to understand the customer’s business”

*For more than 150 years, corporate customers and institutions have entrusted SEB not only with their financial assets, but also with their future plans and visions. As our customers have grown, so has SEB. Today some 2,700 corporations, institutions, banks and commercial real estate companies – primarily in the Nordic region, the Baltic countries and Germany – have chosen SEB as their financial partner.*

“Providing advice is at the core of our business, and our customer relations unit serves as a portal to SEB’s aggregate expertise,” says Magnus Carlsson, head of the Merchant Banking division. “Our people contribute their knowledge about the customers’ business and needs, so that we can provide the right expertise, products and services. The closer our relationship is, the greater opportunity we have to be able to ‘see around the corner’ and foresee our customers’ needs. It is not the size or our customers’ business that means the most to us, but their aspirations,”

Through close relationships and knowledge about customers’ needs, SEB has been able to develop a number of new solutions for liquidity management. One example is in the area of transaction services, which companies use to measure their administrative and financial capacity, from purchasing and invoicing to liquidity positioning and payments. This can involve speeding up external and internal flows, improving co-ordination within a company and controlling time spent.

## “Our customers’ aspirations mean the most to us”

Magnus Carlsson, head of the Merchant Banking division

### An integrated bank

Most products and services are developed in close collaboration with the customers. Apart from traditional corporate services, SEB’s customers are offered an array of services, ranging from trading and capital market services to international transaction services, and pension and asset management solutions.

On average, SEB’s corporate and institutional customers use seven distinct products and services and SEB’s employees work together with them daily by sharing ideas and knowledge. In some cases this is done with up to 50 different contact persons from the customer – from the CEO to the payroll administrator.



## Creating meeting places for customers

SEB’s ambition is to be where the customers are. More specifically, we are striving to create meeting places where our customers can interact with us and our experts as well as representatives from other companies.

The Financial Summit is one example of such a meeting place. In 2011, the CFOs in attendance had the opportunity to hear SEB’s CEO Annika Falkengren talk about – among other things – the changes in the financial landscape and how they may affect the banks’ operations in the future.

In Oslo, for the second year in a row SEB arranged a forum for CFOs from the largest Norwegian companies and institutions in

an initiative to create a meeting place where CFOs from various companies can build networks and receive relevant input regarding their professional roles.

At SEB’s Asia Council, business leaders meet twice a year to hear Asia experts talk about developments in the region and the consequences for Nordic companies. In 2011, the focus was on China and its interest in international investment.

SEB is also the convener for Financial Women (FIWE), a network in which women executives from various parts of the financial market meet four times a year.

Above: a scene from the 2011 CFO forum in Oslo.

“Being receptive and good listeners are important qualities for us,” says Carlsson. “As we see it, a relationship always starts by listening and gaining an understanding of the customer’s business. This is the first step for being able to offer advice and match the overall needs of a large corporation or institution.”

SEB is the only fully integrated bank in Sweden that can handle complex transactions in such areas as company acquisitions, divestments, mergers and acquisition-related transactions, syndications and hedging – to protect customers against a drop in value of the Swedish krona or a strengthening of other currencies.

### A bank for other banks

SEB is also a bank for other financial institutions. More than 700 banks based in Western Europe, North America, Japan and developing countries that lack own representation or the right expertise here in the Nordic countries use SEB as an extended arm. Liquidity management, expertise and advice for foreign banks in need of more efficient payment solutions, better risk management and smoother currency and liquidity management are just a few of the services that banks use.

“Bank-to-bank business is exciting,” says Magnus Carlsson. “In some cases we are partners in business, while in others we are competitors. It is quite different compared with other customer relationships.”

### A “big small bank” in the Nordic countries and Germany

A growing number of German institutions and companies – especially medium-sized companies in the “Mittelstand” segment – are turning to SEB as their house bank. Also in Denmark, Finland and Norway, more and more corporations and institutions are choosing SEB as their financial partner.

During the last two years SEB has gained 200 new corporate customers in Germany and the Nordic countries outside Sweden. In these countries, SEB is a “big small bank”, with strong business and a wealth of expertise in liquidity management, custody services, currency trading, structured finance and as a house bank for hedge funds.



### Best Nordic stockbroker and corporate finance adviser

During the year, SEB Enskilda was voted as the Nordic countries’ best stockbroker and analyst by the Nordic institutions surveyed by TNS Sifo Propera in its major, annual survey in 2011. The institutions responded to questions ranging from fees and back office services to analyst expertise, sales and brokers.

The same survey company also ranked SEB Enskilda – for the twelfth year in a row – as the best corporate finance adviser, that is, advice in connection with company transactions, mergers, acquisitions and new issues.

### The best of two worlds

With the inauguration of its new office in Hong Kong in autumn 2011, SEB cemented its strong position in Asia. Prior to this, SEB had a regional presence through corporate offerings in Shanghai, Beijing, Singapore and New Delhi. With the Hong Kong office, the Bank can now assist financial institutions in Asia that are seeking international opportunities as well as European financial institutions interested in Asia.

Hanse Ringström, head of SEB in Asia, explains: “I see how we can truly offer the best of two worlds. We have a long history of experience in Asia, the necessary contacts and understand the conditions for doing business. At the same time, we are a northern European bank with keen insight into how our customers work in their home markets.”

## New Hong Kong office – SEB expanding in Asia

SEB in Asia today:

- Three decades of experience from doing business in the region
- 170 employees in Hong Kong, Beijing, Shanghai, Singapore and New Delhi, who work together across national borders
- Broad offering of services for corporations and institutions
- Private banking services
- Support for financial institutions seeking international opportunities.

Photo caption: SEB’s CEO Annika Falkengren inaugurated SEB’s new office in Hong Kong on 11 November 2011. She is seen here together with Hanse Ringström, head of SEB in Asia (left), and Carl Christensson, head of the Hong Kong office.





## “ A trustful relationship

“We have a very trustful relationship with SEB, built over many years of doing business together. SEB has been an important bank for Linde in Scandinavia and the Baltic countries since 2004. For example, they have implemented domestic SEK cash concentration, enhanced by cross-border and cross-currency notional pooling in Norway, Finland, Denmark, Sweden, Estonia, Latvia and Lithuania. In addition, SEB has always been very supportive of Linde's strategic moves, such as during the acquisitions of AGA in 1999/2000 and of BOC in 2006.”

Dr. Sven Schneider  
*Head of Group Treasury, Linde*

**The Linde Group** is a global gases and engineering company with approximately 50,000 employees working in more than 100 countries worldwide. Main areas are industrial gases, industrial plants, medical gases and therapeutical concepts. Swedish gas company AGA is a part of the Linde Group since 1999.



Dr. Sven Schneider (left) in discussion with Thilo L. Zimmerman (right)  
at the Linde Group's head office in Munich, Germany.





## “ We have strong ties

“Trust and openness – and always totally honest communication. That is how I would describe our relationship. We started as a specific product provider; today we have strong ties and a partnership that goes way back. The same people have been on each side of the table for the past eight years, and we’ve been through a lot together.”

Thilo L. Zimmermann  
*Client Executive, SEB in Germany*

# Award-winning offering for small businesses

*Holistic and simplicity are watchwords in SEB's relationships with some 400,000 small and medium-sized companies in Sweden and the Baltic countries. SEB offers every service a small business owner needs and helps to meet the needs of companies, company owners and their employees.*

"Maintaining enduring, strong relationships with our business customers requires that we have knowledge about their companies and insight into their needs, but also that we stand at our customers' side in good times and bad," says Mats Torstendahl, head of Retail Banking.

SEB has a tradition of strong relationships with large companies and institutions, and we draw from this in our dealings with small and medium-sized enterprises, where we provide assistance in everything from payment services and financing and cash management, to cards, investments, and pension and financial security solutions. Our customers choose when and in which way they want to handle their contacts with the Bank – in a personal meeting, via our Telephone Bank, online or via mobile applications.

SEB looks at the whole picture and helps small business owners in their diverse roles, both as employers and as private individuals. Our customers gain access to a battery of advisers and specialists, and we offer solutions for creating value for our customers' companies as well as for the company owners and their employees.

## Corporate Centres offer cutting edge expertise

For the largest companies in this segment in Sweden SEB offers cutting edge expertise through any of the Bank's three Corporate Centres in Stockholm, Gothenburg and Malmö. At the Corporate

## "We stand at our customers' side in good times and bad"

Mats Torstendahl, head of the Retail Banking division.

Centres we focus on companies with annual sales of more than SEK 200m and somewhat more complex needs, and on major real estate customers. SEB's corporate customers in the Baltic countries receive corresponding service at the Bank's local corporate offices.

## Expanded service for small businesses

In 2011, we further developed the service we provide for small and medium-sized enterprises, among other things through further strengthened our corps of Swedish advisers and an enhanced focus on small businesses. SEB has also introduced an entirely new role at its branches to address the needs of companies as well as of small company owners. In Estonia and Latvia, SEB has launched tailor-made service packages for corporate customers and in Sweden the bank has introduced a package solution for business owners interested in starting an e-commerce operation.

## "House calls" to customers



SEB exists for its customers and wants to meet and help them in their everyday dealings. To improve our service and demonstrate our availability, during the year we acquired a fleet of 35 environment-friendly SEB green cars that our advisers use to visit our customers when our customers cannot come to us.

Left: Stefan Andersson, head of SME Markets within Retail Banking, Sweden.





## Nearly 1,000 customers at Business Day

In 2011, for the first time SEB invited its customers to SEB Business Day – where SEB treated customers in Stockholm, Gothenburg and Malmö to three evenings of insight and knowledge from the Bank's foremost experts and provided an opportunity to network with other business owners.



## 20,000 new business customers in Sweden in 2011

SEB's small and medium-sized business customers continue to show confidence in the Bank, and recent years' growth has continued. In 2011, SEB grew its market share in the segment in both Sweden and the Baltic countries. In Sweden, 11,000 new business customers chose SEB as their bank, which corresponds to net growth of approximately 10 per cent. Today nearly one in five newly started limited liability companies (aktiebolag) in Sweden chooses SEB as its bank.

In Estonia the number of business customers who chose SEB as their bank rose 7 per cent in 2011, and half of newly started



companies in the country choose SEB as their bank. In Latvia and Lithuania the number of new corporate customers grew by 14 and 9 per cent, respectively. In total, the number of new business customers in the Baltic region rose by around 9,000 or 9 per cent.

## SME Bank of the Year 2011

SEB's attention to small businesses continues to generate results. Since 2005 the number of small business customers in Sweden with SEB as their bank has risen from 65,000 to 117,000. In December 2011 Swedish personal finance magazine Privata Affärer once again named SME Bank of the Year.

Already in 2007 SEB's Enkla Firman package solution was awarded Best SME Product by Privata Affärer. In 2008 and 2009 SEB was named SME Bank of the Year. No award was presented in 2010.

## SEB on hand the whole way

SEB is the small business owner's bank. For us at SEB it is natural not only to provide service to existing companies, but also to help people start new businesses and support growing companies. Through co-operation with external parties we support entrepreneurship the entire distance – from educational opportunities in primary and secondary school, via promising business ideas and new business start-ups, to international corporations. Starting in 2011, SEB sponsors the non-profit Junior Achievement association in Sweden as early as primary school. SEB also provides advice through NyföretagarCentrum and IFS/ALMI as well as networking support for growing companies in Connect. The Bank is also a main sponsor of the Entrepreneur of the Year contest, which awards Sweden's leading entrepreneurs once a year. In autumn 2011, SEB became a national partner for the Venture Cup business plan competition. In addition, the Bank is a main sponsor behind the "Årets Nybyggare" award, which is presented as recognition for good examples of immigrant entrepreneurs who have built a successful business.



Olle Larsson, Fiskarhedens Trävaru AB (No. 2 from the left), received SEB's prize for best international growth 2011.





## “ An open, unpretentious dialogue

“Our relationship is unpretentious, open and professional. We know each other well – I can say what I think and Petter says what he thinks. At SEB we have a broad spectrum of specialists, and the challenge for me as a company adviser is to convey all that knowledge to the customer.”

“Transparency and dialogue are important. You can only achieve a true relationship with a customer if you have a genuine interest in the customer and the skill to listen.”

Lennart Persson  
*Corporate advisor SEB in the city of Skellefteå*

Petter Mikaelsson (to the right) in discussion with Lennart Persson at Repays plant in Skellefteå in Northern Sweden.





## “A straightforward sounding board

“When we were considering switching banks just over a year ago, we were in an expansive phase and felt that we weren’t really getting the service we needed from our bank at the time. We shopped around among the various banks, but from SEB we received an offer that was not only competitive, but fast. We are often in need of fast action, so it was a key factor.”

“For us it is very important to have a good relationship with our bank. We want our bank to serve as a sounding board for matters in which we do not have our own specialist expertise, such as investments and foreign business. I want open, straightforward and clear information, and I get that from SEB.”

Petter Mikaelsson  
CEO and founder, Repay

**Repay** is a supplier of form-cut and sawed steel components and commercial steel to customers in Sweden. The company offers products and services in gas and plasma cutting, laser cutting, tube laser cutting, sawing and commercial steel. The company has experienced strong growth in recent years and currently has operations in the Swedish cities of Skellefteå, Uddevalla, Jönköping, Köping, Strömsund, Gällivare and Kiruna.

# Availability and professional advice

*Providing advice is at the core of SEB's relationships with four million private customers in Sweden and the Baltic countries. At SEB we attend to every customer's individual needs, and through our breadth and depth of knowledge we can help our customers find the best solutions for everything from their day-to-day finances to insurance, loans and investments.*

SEB aspires to help the customers achieve their goals and ambitions. The breadth and depth of SEB's offering combined with cutting edge expertise in a number of areas gives the Bank the ability to manage its customers' financial needs in all stages and phases of life.

"We strive for strong and enduring relationships with our customers and never stop in our determination to earn our customers' confidence," asserts Mats Torstendahl, head of SEB's Retail Banking division. "We take care of our customers and offer solutions for sound personal finances in both the near and long term."

Availability is important for SEB's customers, who want the freedom to choose when and in which way they interface with the Bank. Customers can get professional advice face to face at an SEB branch, where they can obtain assistance on more complex matters. For simpler banking matters that customers can and want to manage themselves, SEB's Internet Bank and mobile apps are readily available tools, as is the personal service they can obtain 24 hours a day via the Telephone Bank.

## Qualified advice

For customers with sizeable assets to manage and who are in need of more in-depth and qualified advice, SEB offers its Asset Management and Private Banking services. Through Asset Management, customers obtain a wide array of qualified advice surrounding their personal finances, with a focus on investments. SEB's advice covers everything from private legal matters to insurance and financing. With Private Banking, customers in the Nordic and Baltic countries gain access to both a personal team and expert

## "Strong relationships are the heart and soul of private banking"

Martin Gärtner, head of Private Banking.

assistance in all areas of personal finance, plus an array of specially designed investment services and products – all under one roof.

As validation of SEB's strong position in private banking in 2011, the Bank saw a strong inflow of customers (close to 1,300 new customers and SEK 24bn in net sales) and was named the best Nordic bank for private banking services in the Global Private Banking Awards.

"Strong relationships are the heart and soul of private banking," says Martin Gärtner, head of Private Banking. "Over the years, we have won our customers' trust based on our tradition and ability to offer secure, long-term relationships combined with a strong offering. It is our expressed ambition to continue along this path and more than ever to be at our customers' side in both calm and turbulent times."



## New meeting points

In 2011, SEB continued to develop its various customer interfaces in an effort to meet customers in the way that suits them best. Among other initiatives the Bank launched new apps for smart phones in Estonia and Lithuania, and improved the functionality of its mobile apps in Sweden (see also page 19). And in Latvia SEB

A large advertisement image showing three people in business attire (two women and one man) smiling and interacting. Overlaid on the image are several circular and rectangular icons representing different service channels: a clock with '24-7', a laptop displaying the SEB website, a circular inset of a woman wearing a headset (Telephone Bank), and a smartphone displaying the SEB mobile app. The text 'Many meeting places' is written in white on a green background at the bottom left.



## Better financing terms for low-emitting cars



Protecting the air we breathe is an important part of SEB's sustainability work. In Sweden, for some time SEB has offered customers better borrowing terms for environment-friendly cars, and SEB was the first to introduce "green leasing" in Estonia. In autumn 2011 our leasing offering featuring better terms for customers who choose a car that emits less than 130 g CO<sub>2</sub> per kilometre was introduced also in Latvia and Lithuania.

continued its work in developing its Internet banking services.

SEB also continues to develop its social media presence in an effort to interact with customers in their daily lives. SEB was the first Swedish bank to launch a customer service function on Facebook, which has been well-received. In 2011, SEB's site, where we every weekday respond to customers' questions in an engaged and personal dialogue, had 200,000 visits. SEB now also offers customer service via Facebook in Estonia. And in 2011 SEB began interacting with customers via Twitter in both Sweden and Latvia.

### Responsible lending

For most families, buying a home is something they might do only once or twice in their life. Moreover, housing is generally the single largest item in a household budget. Therefore it is natural that a residential mortgage is the focal point in SEB's relationship with many of its private customers. SEB continues to adhere to responsible lending practices out of consideration for its customers, not only by helping them finance their dream home, but also to make sure that they can afford their home – today and in the future.

In 2011, SEB continued to develop its offering to its home mortgage customers. In Estonia, SEB is the only bank that offers loan protection for home mortgages – a service that has grown in popularity during the last two years. Today approximately 40 per cent of SEB's home mortgages are protected by insurance. In Sweden, SEB is still the only bank that openly discloses its funding costs. For SEB it is important that customers know what they are paying for.

### The best in savings

SEB's investment offerings for private individuals are always based on the customers' whole situation. The offerings range from sav-

ings accounts, the Bank's own funds and externally managed funds to exchange traded funds (ETFs) and structured derivative products. Among other things, the offering includes SEB's four Strategic Funds, with varying risk profiles, and Private Banking's Modern Investment Programme. Customers can also choose SpotR, SEB's line of ETFs that were introduced in 2011. These are traded like stocks on a stock exchange, but can be structured in such a way as to generate a return when the underlying market is either rising or falling.

## Overview of personal finances

In summer 2011 SEB was the first Swedish bank to launch an iPad application for private individuals: "Min ekonomi", which gives users an overview of their personal finances and how their income and expenses develop over time as well as a breakdown of expenses by various categories. The customer response was enormous – the app was the most popular download in Sweden during its first week, and users have given it high marks across the board.

SEB's Baltic customers can also get an overview of their personal finances through the Internet-based Financial Planner, a service that was launched in Estonia in 2010 and is now also available in Lithuania.



## Planning for retirement

SEB has identified a great need for advice among customers who are nearing retirement, among other things because many people do not know how much money they will have in retirement. We have therefore begun taking an even more focused approach to providing advice to customers over 55 years of age. We provide them with a thorough pre-retirement review and an overview of what their personal situation looks like and what opportunities they have to influence the outcome of their various pension solutions. For SEB it is important to take responsibility not only for the various ways that our customers can save toward retirement, but also for how they should manage their assets once they have stopped working.



## “ A long-standing personal relation

“ I have had Johanna’s family as customers since 1987, so it’s a very personal relationship. Both her mother and father were customers of mine, and Johanna has been a customer of mine for a long time. Plus, I was practically raised on their cinnamon buns!”

“We know each other very well. That makes it much easier to do business, since we have a great amount of confidence in each other. I can help her with the whole picture, no matter what it concerns – legal matters, taxes, insurance, or what have you.”

**Torgil Magnusson**  
Private Banker, SEB in Malmö



*Johanna Francke, baker and Managing Director of Francke's bakery in the city of Trelleborg in discussion with Torgil Magnusson, Private banker at SEB in Malmö.*





## “ SEB is always there for us

“What’s good about SEB in Trelleborg is that they have a small office – I know the people who work there and they recognise me. After all, it is the people who make the bank, so the staff are important. We have had SEB from the start, and Torgil is always there when we need him.”

“Availability is a good word – I like it when people are available. You can do a lot yourself online, but I know I can always call or send an email if there is anything else I need help with. Most of our contact concerns investments and stock transactions. Sometimes I handle decisions based somewhat on a whim – because I enjoy it. But he always comes with good suggestions.”

Johanna Francke  
*Managing Director, Francke’s Bakery*

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**Francke’s Bakery** is one of the oldest companies in the city of Trelleborg and has supplied hungry citizens with bread and cakes for more than a century. In 1995, Francke’s was granted an cultural award by the paper “Trelleborgs Allehanda” for its time-honored handicraft tradition.

The bakery is owned by Anita Francke since 2003. Her daughter Johanna is the fourth generation in the Francke Family to lead the company.

# Meeting customers' needs through continuous IT development

*Banking and technology are closely intertwined. Today a major share of SEB's transactions are entirely automated, and customers' contacts with the Bank are largely conducted via IT channels such as the Internet and mobile phones.*

Ten years ago 22 per cent of payments in SEB were processed straight-through. In 2011, the correspondent share was 97 per cent.

A similar trend towards a significantly higher level of automation can be seen in many other areas of SEB's operations, even though there are naturally areas that require dialogue and personal handling.

"Previously, IT was used mainly as administrative support. Today it is an integrated part of doing business. IT-based solutions account for a very large share of the services we provide to our customers," says Martin Johansson, head of Business Support at SEB with in all 3, 800 people and global responsibility for transaction processes, customer support, maintenance, supervision and development of IT systems.

## Clear governance systems

In 2011, SEB established a new decision-making procedure for its IT operations. A new dedicated unit was set up for governance and prioritisation of investments in co-operation with the business units, while the different IT and support units are responsible for efficiency and quality of the operations.

"We now have a clear differentiation between the client role and supplier organisation. This has enabled us to take a holistic approach to our development portfolio and truly prioritise the activities that are most effective and generate the most benefit from the customer's perspective," says Johansson.

## Quality and security front and centre

Quality is paramount for IT operations. Systems and processes must work, and customers must be able to feel secure when conducting their banking. SEB is continuously working to strengthen its critical business processes and minimise problems and risks for customers.

## IT – an integrated part of SEB's business

**SEB's IT platforms and electronic channels make up an integral part of the Bank's customer offering...**

- FX platforms – 20,000 users, more than USD 1 trillion (1,000,000,000,000) in annual volume
- Securities trading platforms – 2.5 million transactions per day
- 735 million payments, of which 97 per cent straight-through processed, per year
- Electronic channels for large corporate and institutional customers – 50,000 users internationally, SEK 26 trillion in annual volume
- Online and mobile banking services in Sweden – 5 million Internet bank log-ins and 1.5 million mobile banking visits per month.

**... at the same time that they provide opportunities for improved efficiency and risk management through;**

- Fully automated processes and efficiency workflows
- Management information
- Monitoring, control and security.

## Business support in the Baltic region – improved efficiency and structure

In 2004, SEB made a strategic decision to move parts of its back office activities to the Baltic region. Processes and back office routines for trading, payments and securities are handled by Riga Operations Centre in Latvia, with 250 employees. Parts of the home mortgage process, account handling, and HR and IT processes are handled by Vilnius Operations Centre in Lithuania, with 100 employees. As a result of the transfer of these operations, not only can we handle greater volumes at a lower cost, but the processes for the Bank's global operations have become more structured. Moreover, the changes were achieved with unchanged high customer satisfaction.





## Renewed base systems and changed regulations

SEB is continuously developing its infrastructure to meet its customers' needs, the Bank's own expansion and various regulatory changes. Total investment for 2011 was approximately SEK 2bn.

One-fourth of investments in general pertains to the base systems that make up the core of the Bank's operations. Many systems in the banking world were developed in the 1960s and '70s, and are therefore in need of renewal or upgrading. One example of such a renewal at SEB is the new infrastructure provided by networks and a new technical platform in Sweden, which was completed in 2011. A project that is still in progress involves a change in the systems for handling customers' fund holdings. In the Baltic countries, the base systems in Lithuania have already been entirely replaced.

## New Internet bank

The largest, ongoing individual investment involves creating a new and improved Internet bank. As a first step, the launch of the new Internet bank for private customers is planned for 2013. Enhanced navigation, simplified functions and a modern graphical design are examples of changes in order to improve customer service. The next step will be to introduce a new Internet banking service for small and medium-sized companies.

In 2011, the number of new customers of SEB's Internet banking service for private individuals in Sweden increased by 7 per cent, while the number of customers in SEB's Internet bank for companies rose by 10 per cent.

## Greater efficiency through partnerships and outsourcing

Between 2010 and 2011 the production cost per transaction decreased by 22 per cent. This was achieved through a combination of own IT development, increased use of automated solutions by customers, and external factors. For cost and efficiency reasons, SEB has elected to co-operate with international business partners

# 22 per cent

lower cost per transaction in 2011

## Dramatic increase for mobile bank services

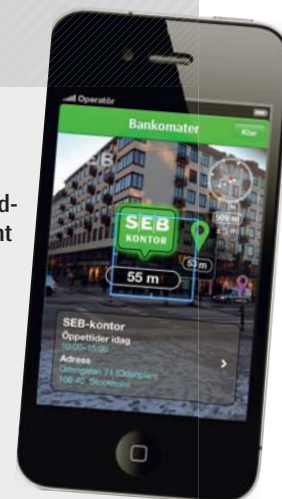
Today more smart phones are sold in the market than ordinary PCs, and mobile phones will soon be the most common access point for the Internet for private individuals. It is estimated that by 2015, 80 per cent of all ordinary banking services will be performed via mobile phones.

SEB was early to adopt this technology and introduced its Mobile Bank already in 1991. But it was not until SEB launched its iPhone app in May 2010 that use of the service really took off. When it became possible at year-end 2010 to log in to the mobile service using a password, the number of log-ins exploded – from 200,000 to 700,000 per month.

In June 2011 SEB launched the opportunity to scan OCR numbers on bills using a mobile phone. With this new service, the number of visits grew to 1.5 million per month.

In Sweden, SEB was named Mobile Bank of the Year in 2011, while in Estonia, SEB launched its first iPhone app.

SEB's goal is to offer services that make everyday life easier for our growing number of customers who handle their banking needs with their mobile devices. The first step is to further improve the functionality of the base offering. We will then broaden the range of services and work on deepening our relationships through value-creating auxiliary services.



and to outsource certain assignments to external IT companies and consultants.

Since 2009 SEB has been conducting a green IT project to improve cost- and energy-efficiency while also contributing to the Bank's environmental goal of reducing its carbon emissions. In 2011 we installed a new, high efficiency cooling system in our largest data halls in Sweden and took action to reduce our energy consumption.

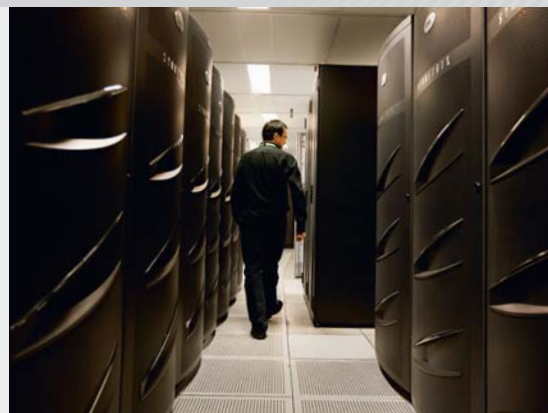
## High security in SEB's computer rooms

In SEB's two largest computer rooms in Greater Stockholm, measuring 4,000 sq.m., 1,700 TB of data are stored on some 2,500 servers.

The computer rooms meet high standards for security and operation:

- Robust communication links which would make it possible to transfer traffic if one of the halls were to be destroyed
- Fireproof walls with special protection against electromagnetic disruption
- Back-up electrical and cooling systems designed to ensure uninterrupted operation in the event of a power outage
- Advanced fire extinguishing systems
- Strict access routines and camera surveillance.

To contribute to a cleaner environment, we use surplus heat from our computer rooms to heat our offices.



# SEB's role in society

*As a bank SEB contributes to sustainable development in society by transforming savings into investments, providing growing businesses with capital, maintaining a secure payment system and managing individual and corporate savings. The current financial uncertainty and greater awareness about what growing global challenges entail presents both risks and opportunities for us and our customers.*

The largest contribution that SEB can make to society is to support its customers in a responsible manner. Through our services and products, we contribute to sustainable economic development, international trade and financial security. Our role as a major commercial bank requires that we are stable and profitable so that we can pay salaries, reimburse our suppliers, and pay taxes and dividends to our shareholders. In 2011, the economic value that we distributed in the society in this way amounted to SEK 31bn.

## Broad community involvement

SEB is committed to actively supporting economic development, promoting financial literacy and combating social exclusion in society. Through various partnerships we support the next generation with priority focus on children, youths and entrepreneurs. In 2011, we invested SEK 23m in these areas. In 2012, we will continue to support young people through our mentoring programmes and will strengthen our efforts to help improve financial literacy in local communities, for instance through Junior Achievement in Sweden.

## Sustainable financial solutions and investments

In 2011 SEB continued its work on promoting responsible investment. We expanded our analysis team within Asset Management and carried out a deeper dialogue with portfolio companies on matters such as corruption, water shortages, climate change and activities in conflict zones. In 2011, managed assets with a socially responsible investment (SRI) profile decreased by 7 per cent to 14.8bn (16.1).

SEB also opened up greater opportunities to lease environmental cars with the launch of "Green Leasing" in the three Baltic countries. The Bank continued to issue green bonds on behalf of the World Bank, and a total of USD 2.2bn in such bonds is currently outstanding. We also participated in a panel discussion at the UN General Assembly on

## SEK 108 billion in increased lending to companies and individuals

sustainable finance and green investments. Our dedicated financing of renewable energy projects and equipment amounted to SEK 17bn. The number of transactions under the Equator Principles, which aim to tackle social and environmental risks in project financing, amounted to 12 – all conducted in OECD countries.

One important milestone was the decision on SEB's Group-wide position statements (on climate change, fresh water and child labour) and sector policies (concerning the arms and defence industry, forestry, fossil fuels, mining and metals, renewable energy and shipping). These create a common framework and provide a support for a future-oriented dialogue with customers and portfolio companies and are gradually being introduced throughout the organisation.

## Reducing our environmental footprint

For the second year in a row SEB was included in the Carbon Disclosure Leadership Index. We also received an 'A-' rating and 81 out of 100 points on how we report and deliver on our goals of reducing carbon emissions and other climate measures. We compensated for our existing carbon emissions by investing in two reforestation projects in Tanzania and Kenya. We also continued our efforts to reduce paper mailings during the year.

## Sustainability Report 2011

2011, marks the fifth time that we publish a sustainability report, entitled "Sustainable Perspectives". We continue to use the Global Reporting Initiative as our main reporting framework. To download the report, our separate CS Fact Book, the GRI index table or our annual report to the UN Global Compact, visit [www.sebgroup.com/sustainability](http://www.sebgroup.com/sustainability).



## Sustainable business priorities

Three responsibility areas and eight sustainable business priorities guide our work.

Read more on: [www.sebgroup.com/sustainability](http://www.sebgroup.com/sustainability).





# An attractive workplace

*Professional and committed employees who build long-term relationships with customers are critical for SEB's long-term success. We strive for a sustainable leadership where managers support employees in their development and lead the business towards our common goals. To meet a changing environment employees are encouraged to take responsibility for their part of the business and their own development.*

Relationships, trust and long-term perspective lay the foundation for SEB's business. Our core values – Commitment, Mutual Respect, Professionalism and Continuity – are a central part of our corporate culture and guide us in our daily actions. During the year, SEB's employees and managers participated in group-wide dialogues, You are SEB, focusing on the core values – on how we meet our customers' expectations and how we can be even better at collaborating throughout the organisation.

## Participation and commitment

In 2011, an employee survey conducted by SEB showed great trust in the Bank's vision and mission. Employees responded that they feel a great sense of empowerment and commitment to their work, and a large majority would gladly recommend a friend to be an SEB customer or apply for a position at the bank.

SEB is not only an appreciated work place among existing employees, but also one of the most attractive companies to work for in Sweden and in the Baltic countries among young professionals and students. We want to attract people who are passionate about their work and highly engaged in what's best for the customer. In 2011 SEB climbed to fourth place among Sweden's most attractive employers – regardless of sector – among young professionals with a business degree, and also received top rankings in Latvia, Estonia and Lithuania.

## Leadership and employee development

SEB promotes a strategic leadership culture that supports the Bank in its ambition to be a high performing organisation. Managers are expected to take long-term responsibility with focus on the customer, deciding and executing, and leading and empowering.

## A preferred employer

Universum, a company specialising in employer branding, has listed the 100 most attractive employers for young professionals within economy and finance.



Source: [www.universumglobal.com](http://www.universumglobal.com)

Company	Ranking 2011
Hennes & Mauritz	1
IKEA	2
Google	3
SEB	4
Nike	5
Exportrådet	6
ICA	7
Nordea	8
Handelsbanken	9
Unilever	

# 73 per cent

of the employees would recommend a friend to apply for a job at SEB

An array of leadership development activities are offered to managers at different levels focusing on managing business, managing oneself and managing change.

At SEB we plan thoroughly for future competence needs and work continuously to increase knowledge and competence within the organisation. We offer a wide variety of training and development activities for both generalists and specialists.

## Diversity enriches the business

We believe that diversity as well as gender equality enriches the business and increases our ability to meet our customers' expectations. SEB strives to ensure that equal opportunities and rights are offered to everyone, regardless of gender, national or ethnic origin, age, sexual orientation and faith. We also work to identify, develop and encourage women to take senior positions.

**Marie Andén**, Head of Private Banking, Sweden, is one of SEB's managers whose employees have achieved very good results.



### What are your guiding principles as a leader?

"Passion for what I do, relationships and having fun have helped me through my career. Passion gives energy and leads to commitment, which is important in order to improve and develop. If you have passion you will deliver."

"Establishing solid relationships is crucial for building networks and for having an open dialogue with customers and employees alike, based on mutual respect. Relationships need to be genuine – they can't be superficial."

"And finally – having fun and being able to laugh within your team. I think this is essential in order to be able to stay focused when it counts!"

### What do you look for when recruiting a new employee?

"I favour a dynamic and diversified work environment, so apart from passion I look for people who will bring something new to the team."

# Risk management at SEB

*A bank's fundamental role is to enable individuals and businesses to save and borrow money so they can invest, build a financial buffer and secure a comfortable retirement, which in turn contributes to economic growth and social development. When secure savings are turned into productive investments, some form of risk transfer is involved. This risk must be managed by the bank. As additional risk protection, the bank has established strong financial buffers.*



## Credit risk

SEB's single largest risk

Good credit risk management is a prerequisite for banks to fulfil their role as the economic life blood in society. This means that every credit decision must be based on an analysis of the customer's ability to pay. For smaller household loans, this is done through a standardised process, while large loans to corporates and institutions require an individual analysis that is based on knowledge of the customer.

It is only the level of standardisation that varies. The bank must make sure that the borrower can meet its obligations. The principle is the same for all forms of credit.

### Risk mitigation examples:

- ✓ We have a clear process for all decisions. Residential mortgages and small business loans are decided at local branches and more complex credits in an independent credit committee. Decisions on very large loans are made by the Board.
- ✓ The quality of the credit portfolio is continuously monitored, using stress tests among other things. Provisions for possible credit losses are made according to conservative principles.
- ✓ If a customer runs into problems, SEB always wants to find a solution together with the customer. This can be granting a respite on loan installments to allow a family to stay in their home or a company to stay in business. Here the Bank and its customers have a mutual interest.



## Liquidity risk

Increased during the financial crisis

The bank must maintain a cash buffer to ensure that funds are available on demand. Since depositors in a bank want to be able to withdraw savings at all times, regardless of when the bank receives loan payments from its borrowers, a liquidity risk arises for the bank.

In addition to customer deposits, banks also fund their business through borrowing in the capital markets. This also entails a liquidity risk should the demand in the market to buy the Bank's bonds decrease or disappear.

### Risk mitigation examples:

- ✓ SEB has a buffer of SEK 377bn of readily available liquidity.
- ✓ We have matched funding for two years – reserves that cover all loans that expire over the next two years – so we can avoid seeking financing at unfavourable terms.
- ✓ The Bank's liquidity risks are continuously monitored by an independent function for Risk Control. We regularly stress test our liquidity position based on scenarios covering various market disturbances.

Financial resilience

**SEK 377bn**  
in the liquidity buffer



## Market risk

A smaller risk in SEB

One of the bank's important roles is to help customers buy and sell various types of securities. In order for this to work, the bank must have a trading portfolio of all instruments, including stocks, currencies and fixed-income instruments. Aside from this, SEB also invests a large share of its liquidity reserves in a portfolio of secure government and covered bonds. The bank is therefore exposed to market risk, as this portfolio may decrease in value. In addition, SEB has market risk since all transactions are carried out with various maturities, interest rates, currencies, etc. where the values are changing constantly.

### Risk mitigation examples:

- ✓ We have a clear decision-making structure with pre-defined limits for how large risks can be.
- ✓ Customers' trading activity steer SEB's trading in the capital markets. SEB does not conduct trading on its own behalf – we do not use equity to speculate.
- ✓ The bank's market risk is continuously monitored by the independent function for Risk Control. We regularly conduct stress tests to assess how different changes in the market can affect the risk level.

Financial resilience

**SEK 109bn**  
of capital

**“We have a well-built ship and we are prepared for stormy weather, though no-one knows what weather we will face.”**

Johan Andersson, Chief risk officer.



## Operational risk

The risk of human error

SEB handles a large number of customer orders every day. This requires the Bank to have reliable systems, well-functioning processes and that the employees know how to act in order to avoid mistakes. Although nearly 100 per cent of all transactions are executed without any errors, sometimes mistakes are made due to human error. This risk, called operational risk, involves all types of situations where the bank makes a mistake and must reimburse someone or pay damages.

### Risk mitigation examples:

- ✓ All employees receive training in important areas such as money laundering, fraud, and information and data security.
- ✓ All incidents are logged and brought to the attention of the responsible manager for proper action.
- ✓ In addition to individual incident reporting, the Bank's aggregated operational risks are monitored and stress tested by the independent Risk Control function.



## Insurance risk

Long periods of time

SEB offers pension insurance in two forms: unit-linked insurance, where the customer decides the risk profile and how his or her savings are to be invested in different funds; and traditional life insurance, where SEB takes responsibility for management of assets and risk and guarantees a minimum return for the customer.

The risk in pension and life insurance business is that the premiums, which are based on assumptions about life expectancy and claims experience, are inadequate. There is also a risk that the return on assets is insufficient to meet the guaranteed minimum return to the customer over time.

### Risk mitigation examples:

- ✓ Market risk for traditional life insurance is reduced by hedging. Market values are monitored continuously, and stress tests are conducted based on different economic scenarios.
- ✓ We continuously verify our principles for premium calculation and our assumptions on life expectancy and claims experience in the life insurance business through actuarial analysis and portfolio testing.
- ✓ With respect to disability and mortality risks, SEB obtains reinsurance for events that could result in claims.

## 5 questions for Johan Andersson

Chief risk officer



### Global economic turmoil and a debt crisis. What is SEB's risk profile?

“Around 90 per cent of our credit portfolio lies within the strongest countries in Europe.

With a recession loom-

ing, our large corporate customers have the strongest balance sheets I have seen during my 30 years in this business. SEB is one of Europe's best capitalised banks, and we have a robust liquidity buffer. So while we have a well-built ship and we are prepared for stormy weather, no one knows what weather we will face.”

### Does SEB want zero risk?

“Our task is to ensure that our customers are safe when borrowing or depositing money with us. Although we try to do this with as little risk as possible, risks are an unavoidable part of our business. But risk-taking is not a goal in itself.”

### How has SEB changed its procedures in the financial crisis?

“The basic principles for how we manage risk haven't changed. However, we have reassessed some conventional truths. Since 2008 we have lowered our risk level related to banks and certain governments.”

### Is the Baltic crisis over now?

“Yes, the immediate crisis is over. Through hard work the Baltic countries have shown their ability to come back, and we were able to recover a large portion of the provisions for credit losses. While we see a clear recovery, the Baltic countries are affected by the ongoing Euro crisis.”

### How does SEB work with sustainability from a risk perspective?

“Banks have an important role in achieving long-term growth and sustainable development. We have taken environmental aspects into account in our lending for some time, since they can entail a financial risk for a borrower. We also strive for a close dialogue with our customers to ensure that our lending contributes to positive economic, social and environmental development.”

# The SEB share development in 2011

*In the wake of the Eurozone sovereign debt crisis the SEB Class A shares dropped by 29 per cent in 2011, while the FTSE European Banks Index decreased by 33 per cent. Earnings per share amounted to SEK 5.06 (3.07). The Board proposes a dividend of SEK 1.75 for 2011 (1.50).*

## Share capital

The SEB shares are listed on the Nasdaq OMX Stockholm Exchange. The share capital amounts to SEK 21,9bn, distributed on 2,194.2 million shares. Each Class A-share entitles to one vote and each Class C-share to 1/10 of a vote.

## Stock Exchange trading

2011 was a weak year on the Nasdaq OMX Stockholm Exchange and the OMX Stockholm General Index dropped by 17 per cent. The value of the SEB class A shares was down by 29 per cent, while the FTSE European Banks Index dropped by 33 per cent. During the year, the total turnover in SEB shares amounted to SEK 106bn. SEB thus remained one of the most traded companies on the Stockholm Stock Exchange. Market capitalisation by year-end was SEK 88bn.

## Dividend policy

The size of the dividend in SEB is determined by the economic environment as well as the financial position and growth potential of the Group. SEB strives to achieve a long-term growth while maintaining the capital targets. The dividend per share shall, over a business cycle, correspond to around 40 per cent of earnings per share.

## SEB's largest shareholders

December 31, 2011	No. of shares	Of which Series C shares	Share of capital. %	votes. %
Investor AB	456,089,264	2,725,000	20.8	20.9
Trygg Foundation	177,447,478	0	8.1	8.2
Alecta	158,650,000	0	7.2	7.3
Swedbank Robur funds	73,239,881	0	3.3	3.4
State of Norway	63,752,929	0	2.9	2.9
Nordea funds	37,148,171	0	1.7	1.7
SEB funds	35,200,785	0	1.6	1.6
Wallenberg-foundations	33,057,244	5,871,173	1.5	1.3
First AP fund (AP1)	30,737,259	0	1.4	1.4
SHB funds	29,189,930	0	1.3	1.3
Fourth AP fund (AP4)	23,776,711	0	1.1	1.1
Second AP fund (AP2)	20,212,119	0	0.9	0.9
AMF Insurance and funds	19,450,000	0	0.9	0.9
Third AP fund (AP3)	16,588,711	0	0.8	0.8
Skandia Life	16,058,754	941,882	0.7	0.7
Foreign shareholders	520,819,125	1,465,220	23.7	23.9

Source: Euroclear AB/SIS Ägarservice AB.

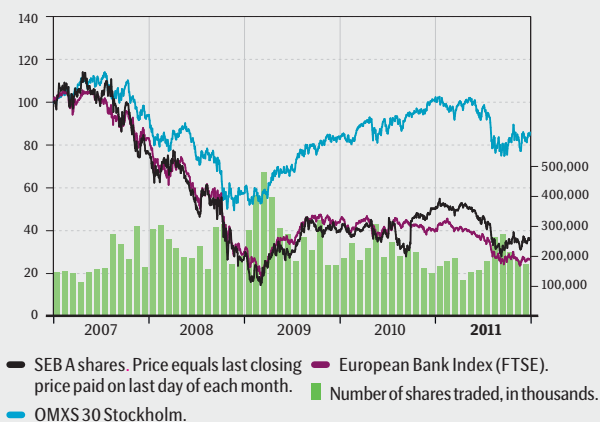
## SEB shares

Data per share <sup>1)</sup>	2011	2010	2009	2008	2007
Basic earnings, SEK	5.06	3.07	0.58	10.36	14.12
Diluted earnings, SEK	5.04	3.06	0.58	10.36	14.05
Shareholders' equity, SEK	49.68	45.25	45.33	86.22	79.16
Adjusted shareholders' equity, SEK	54.92	50.34	49.91	94.81	89.96
Net worth, SEK	54.92	50.34	50.17	95.44	92.23
Cash flow, SEK	97.27	-11.60	-44.86	-20.48	125.24
Paid dividend per A and C share, SEK	1.75	1.50	1.00	0.00	6.50
Restated dividend per A and C share, SEK	1.75	1.50	1.00	0.00	4.60
Year-end market price per Class A share, SEK	40.09	56.10	44.34	42.95	117.01
per Class C share, SEK	39.00	53.20	46.00	38.88	108.88
Highest price paid during the year per Class A share, SEK	62.00	56.55	53.00	120.90	177.10
per Class C share, SEK	61.25	53.95	55.00	112.77	169.68
Lowest price paid during the year per Class A share, SEK	30.72	38.84	15.48	36.06	110.64
per Class C share, SEK	33.00	42.18	15.22	36.06	103.93
Dividend as a percentage of result for the year, %	34.6	48.0	172.0	0.0	32.6
Yield, %	4.4	2.7	2.3	0.0	3.9
P/E	7.9	18.2	75.8	4.1	8.3
No. of outstanding shares, million average	2,193.9	2,194.0	1,905.5	968.5	964.7
at year-end	2,191.8	2,193.9	2,194.2	968.9	966.8

1) Previous years restated after the rights issue 2009.

## SEB share Class A

SEK





# Analysts ask SEB

*SEB is closely monitored by some thirty equity analysts. Every quarter SEB arranges a press conference and meetings with both analysts and investors to explain the bank's performance and answer questions. During a year like 2011, characterised by the European debt crises and a number of changes in regulatory requirements, some questions are more frequent than others.*



Press conference at SEB's head office in Stockholm, 28 October 2011

## How has net interest income developed for SEB?

Net interest income for 2011 amounted to SEK 16.9bn, an increase of 6 per cent. Customer loans and deposits combined contributed SEK 1.8bn more compared to 2010, as lending and deposit volumes increased by 7 and 8 per cent, respectively. Net interest income from other sources was SEK 0.8bn lower than 2010. This is because we built liquidity reserves that are invested in safe assets with short durations and at the same time increased the long-term funding. The liquid reserves will be used to support customers also in uncertain economic conditions.

## Given what transpired with European banks during the second half of the year, what has SEB done to strengthen its liquidity?

SEB has been strengthening its balance sheet and resilience for several years. In 2011, we had full access to all funding markets, in contrast to many banks in Europe. We raised more long-term funding than what matured. We increased the liquid reserves from 13 to 16 percent of total assets, which gave a total of SEK 377bn at year-end.

## How does SEB view its capital situation? Are there any plans to return capital to the shareholders?

Shareholders participated in a rights issue three years ago to safeguard the Bank's future in the aftermath of the Lehman crash and the Baltic economic development. During the fall of 2008, we increased lending to Swedish and Nordic companies when capital markets were closed and were thus able to support the customers. Since then we have increased our core Tier 1 capital ratio by 5 percentage points and are today one of the best capitalised banks in Europe. There will be new, stricter capital rules for banks in Sweden compared with the international Basel III-based rules. Our focus during the coming years will be to safeguard our strong capitalisation under the new rules and the economic uncertainty. The dividend will be the primary means through which our owners will benefit.

## Many new rules and regulations have emerged for banks, and more are coming. How is SEB managing with respect to these regulations?

Overall, SEB is well-positioned. We have focused on building a robust balance

sheet, and our capitalisation is strong. Other areas addressed by the new regulations include both short- and long-term liquidity. We are already compliant with the former today, since we have built up reserves to ensure that SEB has all the liquidity that our customers need. Meeting the requirements surrounding long-term liquidity – or the bank's structural refinancing risk – is a challenge for all Swedish banks. Relative to the rest of Europe, the Swedish financial system has a lower level of deposits from retail customers, who prefer to invest their money in equities and mutual funds. Corporate deposits are put at a disadvantage under the current regulatory structure.

## Many banks aim for a 15 per cent return on equity. What is SEB's target?

The stricter capital and liquidity requirements for Swedish banks will lead to higher costs for banking. Exactly what level of profitability the banking sector can achieve in the future remains to be seen. Our focus is on strengthening our customer relationships, achieving our growth targets and making sure that the bank improves its cost efficiency. This provides us with a stable platform for the future and ensures a competitive return over time.

# Income statement

The Group's income and expenses for the year including credit losses (both incurred and probable losses) and write-downs are reported in the income statement.

Income statement			
SEK m	2011	2010	Change, %
<b>Operating income</b>			
1 Net interest income	16,901	15,930	6
2 Net fee and commission income	14,175	14,120	0
3 Net financial income	3,548	3,148	13
4 Net life insurance income	3,197	3,255	-2
5 Net other income	-135	282	
<b>Total operating income</b>	<b>37,686</b>	<b>36,735</b>	<b>3</b>
<b>Operating expenses</b>			
Staff costs	-13,933	-13,920	0
Other expenses	-7,424	-7,213	3
Depreciation of assets	-1,764	-1,854	-5
Restructuring costs		-764	-100
<b>Total operating expenses</b>	<b>-23,121</b>	<b>-23,751</b>	<b>-3</b>
<b>Profit before credit losses</b>	<b>14,565</b>	<b>12,984</b>	<b>12</b>
Gains on disposals of tangible and intangible assets	2	14	-86
7 Net credit losses	778	-1,609	
<b>8 Operating profit</b>	<b>15,345</b>	<b>11,389</b>	<b>35</b>
Income tax expense	-3,046	-2,569	19
<b>9 Net result from continuing operations</b>	<b>12,299</b>	<b>8,820</b>	<b>39</b>
Discontinued operations <sup>1)</sup>	-1,155	-2,022	-43
<b>10 Net profit</b>	<b>11,144</b>	<b>6,798</b>	<b>64</b>
<b>Attributable to minority interests</b>	<b>37</b>	<b>53</b>	<b>-30</b>
<b>Attributable to equity holders</b>	<b>11,107</b>	<b>6,745</b>	<b>65</b>

1) Includes the retail operations in Ukraine and Germany that have been divested.

## Internal controls of financial reporting

To ensure that the financial reporting is of high quality, the Banks works, since several years, with certain key internal controls. The effectiveness of these controls is monitored continuously. To the extent that weaknesses are identified, they are reported to management and to the Board who will manage the risk of erroneous reporting and ensure that the weaknesses are corrected.

## Operating income

### 1 Net interest income

Simply put, traditional banking is a matter of mediating capital between customers with surplus capital and customers in need of loans. Customers' needs vary widely with respect to loan size, maturity and other loan terms. In its role as a mediator, the bank can, for example, use household savings and short-term deposits for corporate and mortgage lending. Due to the large number of accounts with varying due dates, savings and deposits serve as a stable funding base.

The net interest income essentially consists of the difference between earnings on lending to the general public (households, companies) and credit institutions, and the costs for deposits and borrowings from the general public and credit institutions. Banks' interest margins differ in various parts of the market, depending on handling costs and risks. Changes in margins as well as in volumes of SEB's borrowing and lending activities are of great importance for the development of the net interest income. In addition, net interest income is affected by the return from the portfolios of fixed-income securities. Costs related to the Bank's issuance of securities as part of the funding also affect net interest income.

In 2011, SEB's net interest income increased by 6 per cent to SEK 16,901m mainly as a result of higher average volumes for customer related lending and deposits. Some counter-effects were shifts in the bond holdings and a fee to the Swedish stability fund.

### 2 Net fee and commission income

Fee and commission income from various services such as equity trading, advisory services and cards contributes more to the operating result in SEB than in other Swedish banks. This is because the Bank has always focused more than other banks on servicing large companies and on wealth management. Lending fees are also reported in this line item.

In 2011, net commission income was stable from the prior year. Lower securities and payment commissions were offset by higher lending fees. Assets under management amounted to SEK 1,261bn at year-end.

### 3 Net financial income

Net financial income includes both realised gains and losses in connection with the sale of shares, bonds and other financial instruments, and unrealised changes in the market value of the SEB's customer trading inventory of securities. The financial markets development is important in this context. The

item also includes the result of foreign exchange trading, where SEB is in a leading position in Sweden.

In 2011, net financial income was strengthened by higher foreign exchange and capital market activities.

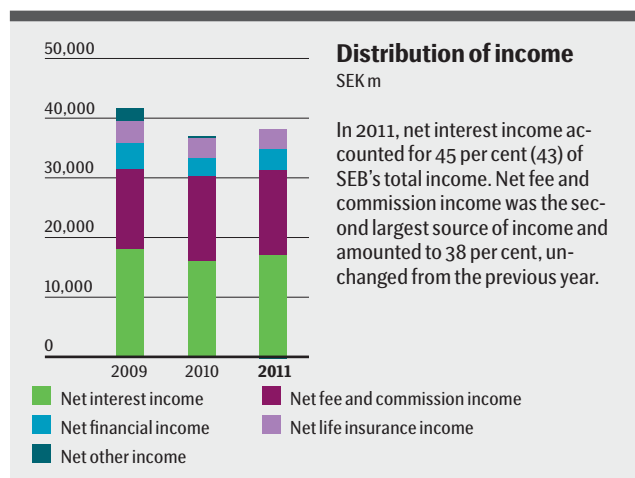
#### 4 Net life insurance income

This item includes sales of life insurance products of which unit-linked insurance accounts for a very large share.

Net life insurance income decreased by 2 per cent compared with 2010.

#### 5 Net other income

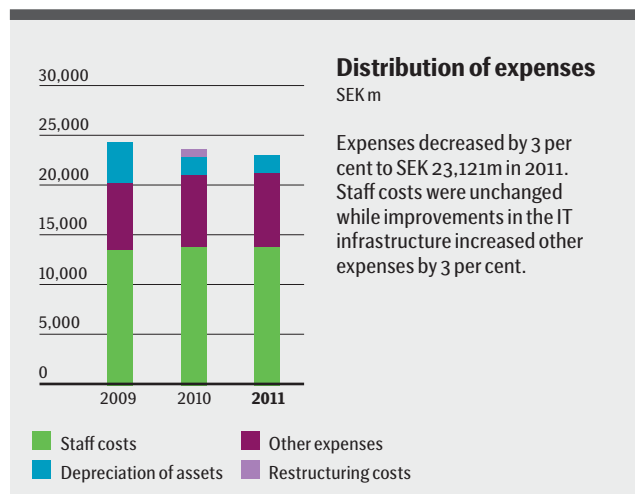
Net other income consists of, inter alia, capital gains and dividends. In 2011, realised losses of SEK 357m from the sale of the so-called GIIPS securities were included in this item.



### 6 Operating expenses

#### Expenses

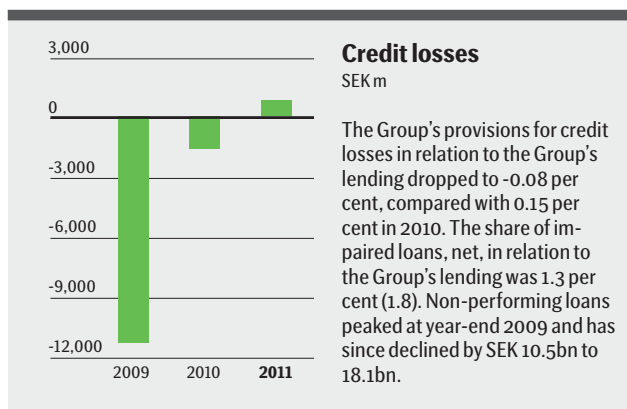
Total operating expenses decreased by 3 per cent in 2011. In order to ensure that the cost base is competitive and efficient, a cost cap of SEK 24bn through 2014 was implemented during 2011. For 2012, the cap is set at SEK 23.1bn.



#### 7 Net credit losses

The Group's credit losses consist of both incurred losses and probable losses where SEB believes that the counterparty will be unable to fulfil its payment obligations. Any recoveries have a positive impact on net credit losses.

In 2011, there were net reversals of credit losses of SEK 778m. Consequently the net credit loss level was -0.08 per cent of lending. This was mainly due to continued improvement of the asset quality in the Baltic countries. In the Nordic region, asset quality remained high.



#### 8 Operating profit

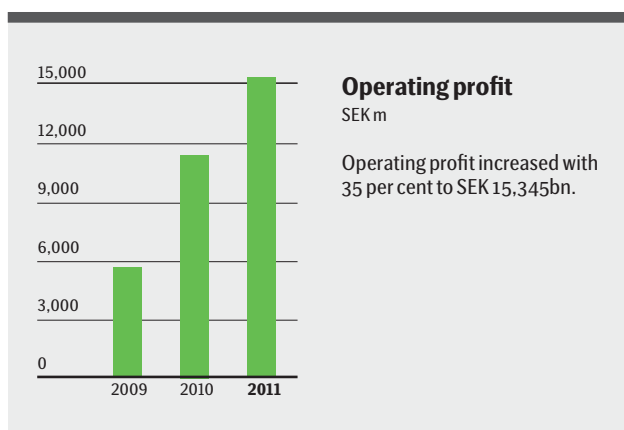
Profit before credit losses increased to SEK 14,565m (12,984) and operating profit improved to SEK 15,345m (11,389), due to the credit loss reversals.

#### 9 Net result from continuing operations

The net result excluding the German and Ukrainian retail operations was SEK 12.3bn, which corresponded to earnings per share of SEK 5.59. This level represents a starting point for comparison of future development of the result.

#### 10 Net profit for the year

Net profit for the year, i.e., operating profit after tax, was SEK 11,144m (6,798). This amount forms the basis for calculating earnings per share and the proposed dividend to the shareholders.





# Balance sheet

The book value of the Group's assets, liabilities and equity is shown here.

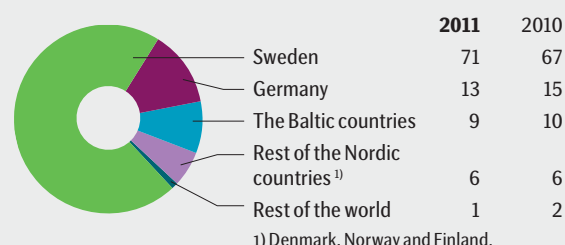
<b>Assets</b>			
SEKm	2011	2010	Change, %
<b>1 Assets</b>			
Cash and cash balances with central banks	148,042	46,488	218
Other loans to central banks	80,548	20,664	290
Loans to other credit institutions	128,763	183,524	-30
Loans to the public	1,186,223	1,074,879	10
Financial assets at fair value <sup>1)</sup>	670,633	617,746	9
Available-for-sale financial assets <sup>1)</sup>	57,377	66,970	-14
Held-to-maturity investments <sup>1)</sup>	282	1,451	-81
Assets held for sale <sup>2)</sup>	2,005	74,951	-97
Investments in associates	1,289	1,022	26
Tangible and intangible assets	29,016	27,035	7
Other assets	58,475	65,091	-10
<b>Total assets</b>	<b>2,362,653</b>	<b>2,179,821</b>	<b>8</b>
<b>2 Liabilities and equity</b>			
Deposits by credit institutions	201,274	212,624	-5
Deposits and borrowing from the public	861,682	711,541	21
Liabilities to policyholders	269,683	263,970	2
Debt securities	589,873	530,483	11
Financial liabilities at fair value	232,247	200,690	16
Liabilities held for sale <sup>2)</sup>	1,962	48,339	-96
Other liabilities	69,883	85,331	-18
Provisions	1,779	1,748	2
Subordinated liabilities	25,109	25,552	-2
Total equity	109,161	99,543	10
<b>Total liabilities and equity</b>	<b>2,362,653</b>	<b>2,179,821</b>	<b>8</b>
1) Of which bonds and other interest bearing securities including derivatives	456,915	416,849	10
2) Assets and liabilities held for sale represent the Ukrainian retail operations which were sold during the year. In 2010, the item represented the sale of the German retail operations which was concluded during 2011.			

## 1 Assets

The most important items are loans to the public (households, companies, etc.) and lending to credit institutions, which together account for around 50 per cent of total assets. Another important item is the holdings of fixed-income securities.

### Lending

Geographical distribution, per cent



### Deposits

Geographical distribution, per cent



## 2 Liabilities and shareholders' equity

The main items are liabilities to credit institutions and deposits and borrowing from the public. Debt securities issued by SEB are important liabilities, too.

Shareholders' equity consists of the original share capital, capital contributions through new issues, net profit for the year and retained earnings.

### Use of profits

The size of the dividend is determined by the SEB Group's financial position, capital strength and future opportunities.

For 2011, net profit of total operations (including the discontinued operations) was SEK 11,144m, corresponding to SEK 5.06 per share. The Board of Directors proposes that SEK 3,836m, or SEK 1.75 per share, shall be distributed to the shareholders. The proposal is made on the background of the uncertain economic climate, the Bank's earnings capacity and the capital position.

# Some important key figures

Some key figures of importance for analysing the result are shown here.

## Key figures

	2011	2010	2009
Return on equity <sup>1)</sup> , %	11.89	8.89	3.26
Cost/income ratio <sup>1)</sup>	0.61	0.65	0.60
Core Tier 1 capital ratio, according to Basel II, %	13.71	12.20	11.69

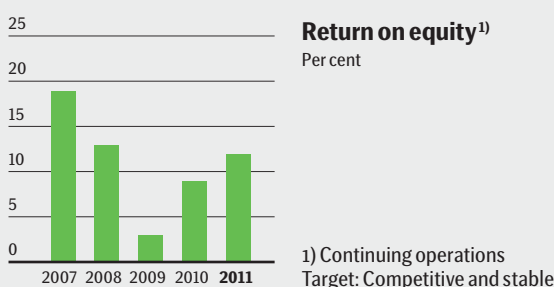
1) Continuing operations

## Return on equity

SEB's goal is to achieve a profitability, or return on shareholders' equity, that shall be competitive and stable with a sustainable profit growth.

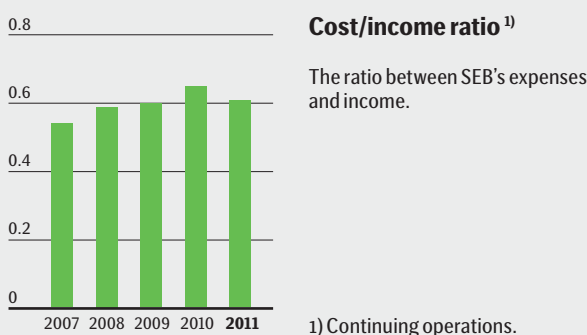
Calculated as follows, the return on shareholders' equity for the continuing operations in 2011 was 11.89 per cent:

$$\frac{\text{SEK 12.3bn (net profit for the year)}}{\text{SEK 103.1bn (average equity)}} = 11.89 \text{ per cent}$$



## Cost/income ratio

The cost/income ratio, i.e., the ratio between costs and income, is an important measurement of the Group's efficiency. In 2011, the C/I-ratio was 0.61 (0.65) for the continued operations, i.e. adjusted for the retail operations that were sold.



## Capital strength

The capital is a buffer for the risks that are carried by banks. The size of the capital determines how much a bank is able to lend and invest in total, i.e., how much risk a bank can support. The regulators make requirements on the level of capital versus risk.

SEB fulfils the regulatory capital adequacy requirements by a wide margin. At year-end 2011, SEB was one of the financially strongest banks in Europe, with a core Tier I capital ratio of 13.7 per cent. The Core Tier I capital ratio is calculated as follows:

$$\frac{\text{SEK 93,097m (Core Tier 1 capital)}}{\text{SEK 678,841m (risk-weighted volumes)}} = 13.71 \text{ per cent}$$

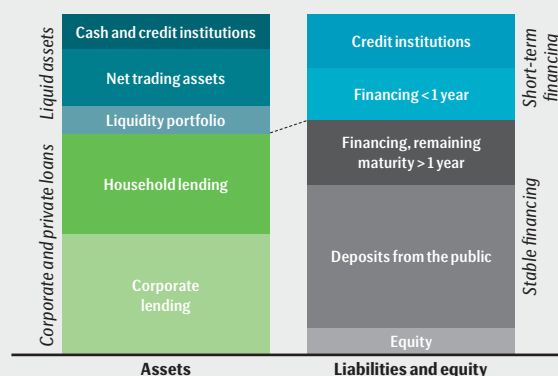
## Liquidity

The ability of banks to borrow money is a prerequisite for fulfilling customers' needs and is therefore always a priority. In the turbulent financial markets, liquidity has become even more prioritised and both banks and regulators are working to improve liquidity management.

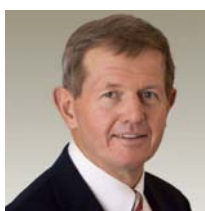
At year-end, SEB had SEK 377bn in liquid assets, in the so-called liquidity reserve. The stable financing exceeds the corporate and private lending by a wide margin.

## Balance sheet structure

31 December 2011



# Board of Directors



MARCUS WALLENBERG



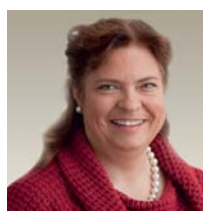
TUVE JOHANNESSON



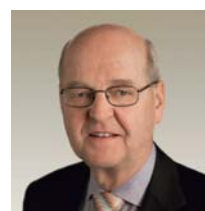
JACOB WALLENBERG



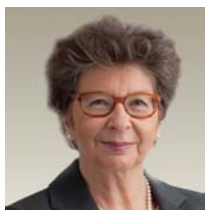
JOHAN H. ANDRESEN, JR.



SIGNHILD ARNEGÅRD HANSEN



URBAN JANSSON



BIRGITTA KANTOLA



TOMAS NICOLIN



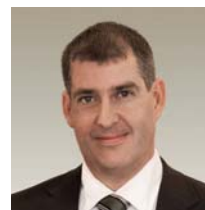
JESPER OVESEN



CARL WILHELM ROS



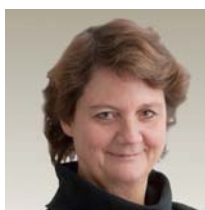
ANNIKA FALKENGREN



GÖRAN LJLJA



CECILIA MÅRTENSSON



PERNILLA PÅHLMAN



HÅKAN WESTERBERG

## MARCUS WALLENBERG

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

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

**Own and closely related persons' shareholding:** 755,698 class A shares and 753 class C shares.

## TUVE JOHANNESSON

Born 1943; B.Sc. (Econ), MBA and Econ. Dr. H.C. Deputy Chairman since 2007.

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

**Own and closely related persons' shareholding:** 202,000 class A shares.

## JACOB WALLENBERG

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

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

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

## JOHAN H. ANDRESEN, JR.

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

**Other assignments:** Owner and CEO of Ferd. Director of NMI - Norwegian Microfinance Initiative, the Corporate Assembly of Orkla ASA and others.

**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, Les Artisans du Gout Spr. and Timbro. Director of Loomis, Swedish Trade Council and others.

**Own and closely related persons' shareholding:** 278 class A shares.

## URBAN JANSSON

Born 1945; Higher bank degree (SEB). Chairman of the Board's Risk and Capital Committee.

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

**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 Nasdaq OMX (New York), Stora Enso and Nobina.

**Own and closely related persons' shareholding:** 15,000 class A shares.

## TOMAS NICOLIN

Born 1954; B. Sc. (Econ) and M. Sc. (Management). Chairman of the Board's Remuneration and HR Committee.

**Other assignments:** Director of Nordstjernan, Nobel Foundation, Axel and Margaret Ax:son Johnsons Foundation, Timbro, Swedish Securities Council and others.

**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 FL Smidth & Co A/S and Orkla ASA.

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

## CARL WILHELM ROS

Born 1941; M.Sc. (Politics and Econ). Chairman of the Board's Audit and Compliance Committee.

**Other assignments:** Director of Anders Wilhelmsen & Co, Camfil, INGKA (Ikea) Holding and Bisnode.

**Own and closely related persons' shareholding:** 17,816 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 Banker's Association. Director of Securitas. Member of Supervisory Board Volkswagen AG and Munich RE.

**Own and closely related persons' shareholding:** 385,715 class A shares and 458,733 performance shares.

## Directors appointed by the employees

### GÖRAN LJLJA

Born 1963; Higher bank degree.

Chairman Financial Sector Union of Sweden SEB Group. Chairman Regional Club West of the same union. Director of the European Works Council SEB Group.

**Own and closely related persons' shareholding:** 3,208 class A shares

### CECILIA MÅRTENSSON

Born 1971; Education in economy and labour law, certificate in personnel strategies.

Deputy Chairman Financial Sector Union of Sweden, SEB. Chairman local Club Group Operations of the same union. Director Financial Sector Union of Sweden.

**Own and closely related persons' shareholding:** 4,236 class A shares and 120 class C shares.

## Deputy Directors appointed by the employees

### PERNILLA PÅHLMAN

Born 1958; Advanced certificate in occupational safety and health and work environment. Second Deputy Chairman Financial Sector Union of Sweden SEB. Vice Chairman of Financial Sector Union of Sweden in SEB's local club Stockholm and East.

**Own and closely related persons' shareholding:** 559 class A shares and 9 class C shares.

### HÅKAN WESTERBERG

Born 1968; Engineering logistics. Chairman Association of University Graduates at SEB. Chairman Regional Association Stockholm of the same association.

**Own and closely related persons' shareholding:** 1,118 class A shares.  
Elected as from 27 September 2011.



## Group Executive Committee and Auditor



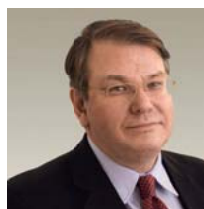
ANNIKA FALKENGREN



JOHAN ANDERSSON



JAN ERIK BACK



MAGNUS CARLSSON



VIVEKA HIRDMAN-RYRBERG



MARTIN JOHANSSON



ANDERS JOHNSON



ULF PETERSON



MATS TORSTENDAHL



PETER HØLTERMAND



WILLIAM PAUS



DAVID TEARE

### ANNIKA FALKENGREN

Born 1962; SEB employee since 1987; B. Sc. (Econ). President and CEO since 2005.

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

**Own and closely related persons' shareholding:** 385,715 class A shares and 458,733 performance shares.

### JOHAN ANDERSSON

Born 1957; SEB employee since 1980; B. Sc. (Econ). Chief Risk Officer since 2010. Head of Credits and Risk Control since 2004.

**Own and closely related persons' shareholding:** 31,039 class A shares, 154 class C shares, 74,494 performance shares and 6,695 deferral rights.

### JAN ERIK BACK

Born 1961; SEB employee since 2008; B. Sc. (Econ). Executive Vice President, Chief Financial Officer since 2008.

**Own and closely related persons' shareholding:** 36,383 class A shares and 200,198 performance shares.

### MAGNUS CARLSSON

Born 1956; SEB employee since 1993; B. Sc. (Econ). Executive Vice President, Head of Division Merchant Banking since 2005.

**Own and closely related persons' shareholding:** 51,039 class A shares and 233,093 performance shares.

### VIVEKA HIRDMAN-RYRBERG

Born 1963; SEB employee since 1990; Lic. Sc. (Econ). Head of Group Communication since 2009.

**Own and closely related persons' shareholding:** 19,222 class A shares and 51,915 performance shares.

### MARTIN JOHANSSON

Born 1962; SEB employee since 2005; B.Sc. (Econ). Head of Business Support from November 2011

**Own and closely related persons' shareholding:** 27,715 class A shares, 107,389 performance shares and 17,511 deferral rights.

### ANDERS JOHNSON

Born 1959; SEB employee since 1984; Higher bank degree. Head of Division Wealth Management since 2010.

**Own and closely related persons' shareholding:** 26,586 class A shares and 70,748 deferral rights.

### ULF PETERSON

Born 1961; SEB employee since 1987; LLB. Head of Group Human Resources since 2010.

**Own and closely related persons' shareholding:** 16,739 class A shares and 81,521 performance shares.

### MATS TORSTENDAHL

Born 1961; SEB employee since 2009; M.Sc. (Engineering Physics). Executive Vice President, Head of Division Retail Banking since 2009.

**Own and closely related persons' shareholding:** 36,376 class A shares and 200,198 performance shares.

### Deputy Members

#### PETER HØLTERMAND

Born 1963; SEB employee since 1997; B. Sc. (Econ). Country Manager SEB Denmark and Head of Merchant Banking Denmark since 2002.

**Own and closely related persons' shareholding:** 148,005 class A shares and 29,449 deferral rights.

#### WILLIAM PAUS

Born 1967; SEB employee since 1992; M. Sc. (Econ). Country Manager SEB Norway since 2010.

**Own and closely related persons' shareholding:** 47,457 class A shares and 37,150 deferral rights.

#### DAVID TEARE

Born 1963; SEB employee since 2006; B. Comm. Head of Division Baltic from November 2011.

**Own and closely related persons' shareholding:** 16,418 class A shares, 2,786 performance shares and 26,645 deferral rights.

## Auditor

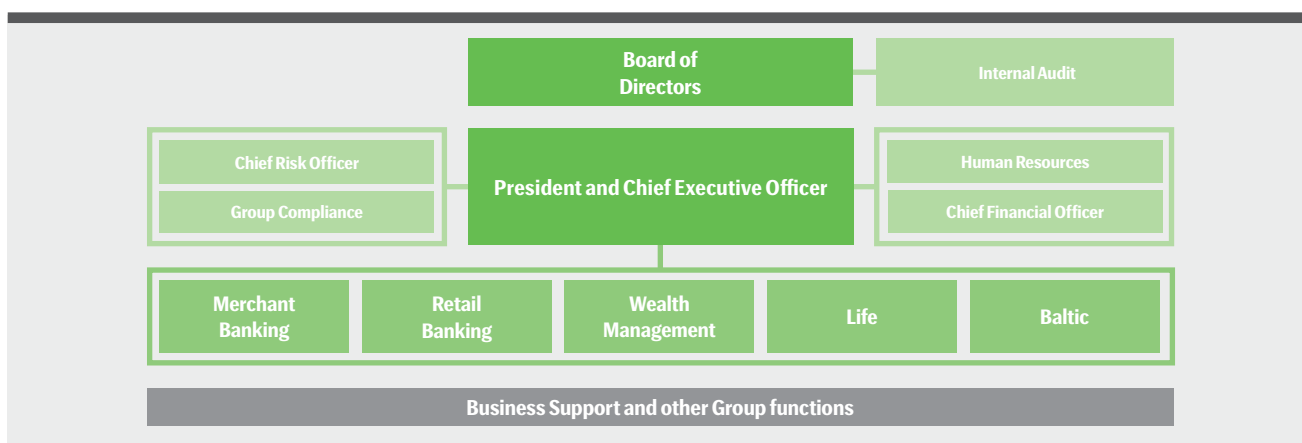
Auditor elected by  
the Annual General Meeting

PricewaterhouseCoopers

#### PETER CLEMEDTSON

Born 1956; Auditor of SEB, Partner in charge as of 2006.  
Authorised Public Accountant.

# SEB's organisation



## Financial information

SEB's financial information is available on [www.sebgroup.com](http://www.sebgroup.com)

### Financial information during 2012

Publication of Annual Accounts 2011	7 February 2012	Interim report January – March	24 April 2012
Publication of Annual Report on the Internet	7 March 2012	Interim report January – June	16 July 2012
Annual General Meeting	29 March 2012	Interim report January – September	25 October 2012
		Publication of Annual Accounts for 2012	31 January 2013

### For further information please contact

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## Annual General Meeting

The Annual General Meeting will be held on Thursday, 29 March 2012, at 2 p.m. (CET) at Stockholm Concert Hall, Hötorget.

Notices convening the General Meeting including an agenda for the meeting are available on [www.sebgroup.com](http://www.sebgroup.com).

Shareholders who wish to attend the Annual General Meeting shall both

- be registered in the shareholders' register kept by Euroclear Sweden AB on Friday, 23 March 2012, at the latest
- and notify the Bank by telephone 0771-23 18 18 (+46 771 23 18 18 from outside Sweden) between 9.00 a.m. and 4.30 p.m. (CET) or via Internet on [www.sebgroup.com](http://www.sebgroup.com) or in writing at the following address: Skandinaviska Enskilda Banken AB, AGM, Box 7832, SE-103 98 Stockholm, Sweden, on 23 March 2012, at the latest.

### Dividend

The Board proposes a dividend of SEK 1.75 per share for 2011.

The share is traded ex dividend on Friday, 30 March, 2012. Tuesday, 3 April 2012, is proposed as record date for the dividend payments. If the Annual General Meeting resolves in accordance with the proposals, dividend payments are expected to be distributed by Euroclear Sweden AB on Tuesday 10 April 2012.



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# Welcome to SEB!

SEB assists 2,700 large corporations and financial institutions, 400,000 small and medium-sized companies and four million private individuals with financial solutions.

SEB is present in some 20 countries, with 17,000 employees, of whom half are outside Sweden.

SEB is a relationship bank. In Sweden and the Baltic countries, SEB offers financial advice and a wide range of financial services. In Denmark, Finland, Norway and Germany, SEB has a strong focus on a full-service offering to large corporate and institutional customers. SEB is furthermore a leading unit-linked insurance company and card issuer in the Nordic countries and one of the most important asset managers in the Nordic and Baltic countries.