

Opening address
Swedbank's Annual General Meeting
March 27 2012
Chair of the Board
Lars Idermark

My Fellow Shareholders, Ladies and Gentlemen, I wish you a warm welcome to Swedbank's 2012 Annual General Meeting.

Changing a company, especially a bank, is complex and will try your patience, but the performance of our bank of late has been very positive. We produced good financial results for 2011. And during the year we took another step in our efforts to create a sustainable bank with good profitability and a clearer risk profile. Most importantly, we have significantly strengthened our capital base.

Much has been done, but a great deal remains. At last year's Annual General Meeting, relatively few people could have predicted how accelerating market concerns, especially in the EU, would be resolved. Major efforts have been made to create stability in the euro zone through support and fiscal programmes. The situation today is much better. Yet economic conditions remain highly uncertain.

Due to economic developments, the role and responsibilities of banks has been the target of criticism. In many respects, this has been warranted, although the debt crisis and its consequences are just as clearly tied to growth and economic policies in individual countries. In a global world, cause and effect can be quite complex.

While Swedish banks are affected by global developments, the situation here is different. Our banks stand relatively strong after having significantly improved their capital buffers. Liquidity is good and we face low credit impairments.

In a turbulent economy, banks may be called into question. But it is important not to forget the important role banks play in society by converting savings to investments, providing companies with capital and managing our customers' savings. Without efficient banks that help individuals, companies and society to grow, a modern society cannot function.

But banking is ultimately a question of trust. Swedbank is in an industry built on trust – from customers, lenders, companies, institutions, the media, decision-makers and the public. Because of our systemic importance, Swedbank has a special responsibility. And the best way to leverage our strong earnings capacity – ultimately for the benefit of our shareholders – is to show that we take this responsibility seriously.

Swedbank is certainly prepared to participate in the debate on the role of banks in society. But the best contribution we can make isn't in the form of words but actions. The important thing is to create a bank that on a daily basis applies sound risk management and business acumen, with a strong corporate culture built on solid values.

In 2011 the European Banking Authority announced its recommendation on the capital buffers that will apply going forward and how capital requirements will be strengthened by 2015. Swedbank is one of Europe's most well-consolidated banks, and in light of the new rules has reaffirmed this position. We already meet the capital requirements that will be in place on 1 January 2015. These new rules will hopefully create a more stable financial system that is more transparent and resilient. Better, clearer regulations have been needed to ensure a stable, sound banking system.

A bank cannot simply focus on regulatory issues. Banking must essentially be a question of how the board of directors and management, based on their roles and responsibilities, carry out the banking operations. This makes their approach to, and management of, various risks, business acumen and the corporate culture so important. A corporate culture with sound values, where we serve our customers on their terms, is a prerequisite for sustainable success.

With a clear vision and purpose based on a solid foundation of values, we want our 300 000 shareholders, large and small, to see Swedbank is an attractive investment. Good results, a strong balance sheet and risk diversification through a broad customer base, as well as high efficiency and cost controls, provide our shareholders the opportunity for a good return and dividend. It is against this backdrop that the bank's long-term financial objectives should be seen. A stable bank over time gives shareholders the highest appreciation on their investment.

The Board of Directors of course realises that it is the bank's 16 000 employees who, through their daily efforts to build customer relations, create this value and results. It is only reasonable, therefore, that extraordinary efforts on their part are rewarded through a balanced compensation programme.

Lastly

We are today a stronger bank than in many years. We are cautiously confident about the future. We are a bank that actively wants to help our 10 million customers to grow, in a sustainable way.

Once again I warmly welcome you to the 2012 Annual General Meeting.

