

Speech
Swedbank's Annual General Meeting
5 April 2016
Acting CEO
Birgitte Bonnesen

Dear shareholders,

I am very honoured to be standing in front of you today. As acting CEO of the bank where I have worked for most of my career.

Next year it will be 30 years since I first stepped foot into Första Sparbanken on Hamngatan, not far from here. And I have stayed ever since.

I have always felt at home at Swedbank. We help people. We cooperate. We work together.

I have worked for our major business areas.
In Swedish Banking. In Baltic Banking.
I worked for a long time at Large Corporates & Institutions, which we call LC&I. I have been the Head of Internal Audit.

Wherever I have been in the bank, I have had great confidence in us.
And I still have confidence in us.

Recent events have raised many questions. Questions about our culture. About keeping our business in order. It has been a dramatic time for us.
Both customers and employees have contacted me. They wonder what is happening at our bank. Leading figures have left. But the bank is stronger than us individuals.

But I am also aware that there have been shortcomings. We have now corrected them. It is time for us to earn everyone's trust. Every day.

We are the bank for the many households and businesses. We are an inclusive bank that is available to many people. This is the bank that we will continue to be.

Swedbank is currently one of the most profitable and best capitalised banks in Europe. We are a global bank, with home markets in Estonia, Latvia, Lithuania and Sweden.
But in many respects, we are still the bank that we have always been.

We are where people are. We care about the things that people care about. We are committed. We get involved.

We have been growing with our customers for almost 200 years. We have changed with them, and developed with them.

And we will continue to do so.

I want to address three topics.

Firstly: Where is the bank today?

Secondly: What business environment are we operating in?

And thirdly: How do we tackle the challenges that lie ahead?

Let me start with where the bank is today.

We are a bank that has a broad ownership base, with many small shareholders. Our services reach more than eight million customers in four home markets. All of this makes us unique.

Financially, 2015 was a good year for us. We reported profits of SEK 15.7 billion. We were able to streamline our operations better than expected. And we are now one of the strongest capitalised banks in Europe.

And we create value. In 2015, we bought services amounting to SEK seven billion. We paid salaries and fees in a total of SEK six billion. Money which in turn creates even more value through new investments, services and consumption. Almost SEK ten billion went back into society. Through taxes, fees and pensions.

We are proposing that SEK 3.9 billion of the SEK 15.7 billion profit be reinvested in the bank. SEK 11.8 billion will be distributed to you, our shareholders. And because many of you here today also represent pension funds, approximately SEK six billion of the proposed dividend will go to reinforce pensions in Sweden.

Our financial position. Our value creation. Our effective cost control and low risk in our balance sheet. All of this is a product of who we are, how we act and what we prioritise.

And it is all about keeping our business in order. Being careful with your money and our customers' money. Being efficient. Continually measuring, reviewing and minimising our risk.

The market sees us as a strong bank. Last year, both Standard & Poor's and Moody's raised our credit rating: This strengthens us as a bank, and it is of course good for you, our shareholders.

Swedbank is the bank in Sweden, Estonia, Latvia and Lithuania for the many households and businesses.

What does this mean, concretely? For example, it means that one in four Swedes finance their homes through us. One in five companies their real estate.

We are the fifth largest card payment acquirer in Europe. When shopping was at its peak on 23 December 2015, we enabled more than 400 card payments per second. A total of 14 million purchases of Christmas presents, food and other goods.

We have more customers meetings than ever before! Our Swedish customers are visiting our digital channels so often that we now qualify among the top ten most visited sites in Sweden.

Who's ahead of us? Well, these are sites like Google, Facebook, YouTube and Aftonbladet. The next bank? They are down at number 38.

2.8 million Swedish customers use our Internet bank and Mobile bank or those of the Savings bank. If you add our customers within Baltic Banking, we have well over four million frequent users of our digital channels.

We reported well over one billion logins in 2015.

Well over one billion.

So who are our customers? Quite simply, a reflection of society.

Our customer base ranges from Strömstad in Sweden to Narva in Estonia. From Kalix in Sweden, to Ventspils in Latvia and Vilnius in Lithuania. Young and old, households and businesses, people who are opening their first bank account, and people who have banked with us their whole lives.

We are also welcoming new customers to the bank. The acquisition of Sparbanken Öresund resulted in 100,000 new customers gaining access to the bank's services. And a few weeks ago, it became clear that we will be able to welcome almost 130,000 new customers to our Baltic banking operations – the part of the bank that by far reports the best key figures, and the most satisfied customers. This was achieved through the acquisition of Danske Bank's retail operations in Latvia and Lithuania.

We are strong in all four domestic markets. Sweden, Estonia, Latvia and Lithuania. We see a very strong performance in our Baltic banking operations – in countries that are celebrating 25 years of independence this year. And we are available in our branch offices, on the phone, online and in our Mobile bank in all four countries.

We are where people are.

In locations, where we do not have our own physical branches, we try to resolve this in other ways, for example, through our cooperation with the Savings banks, or with libraries and banking buses.

We welcome all customers, because we are convinced that our offering can benefit everyone. We are an open and inclusive bank, working in a pragmatic and inquisitive way with all the challenges that people and businesses face every day.

And let me confirm: We will always strive to be better. To do even better business. To make our customers and you even more satisfied. Plenty of opportunities remain for us to develop our business – by cooperating and learning from all the good examples around us.

My second topic. What kind of business environment is the bank operating in?

Globalisation. Urbanisation. Digitalisation. We are living in a time of change.

What does this mean for us? It means that we need to have the courage to keep on doing what we have always done: Not only keeping pace with change. But leading change. This is what our customers expect. And this is what you expect.

Digitalisation is not only about new sales channels. It changes the way our customers want to meet us. It also affects the way we work.

We know that our customers want to communicate with us 24/7. They require immediate response. So we need to be even more accessible. And we want to be able to answer as many questions as possible the first time the customer contacts us – no matter how they contact us.

We need to offer smart services that make people's lives easier. If we do not, our customers will go elsewhere.

We are already on this journey. With our Mobile bank, with Swish, with mobile BankID and with our new Internet bank that we are developing together with our customers. We are asking them what they want, and they are helping us in the development.

And, of course, there is a lot more for us to do. But I am happy that we are leading the way here. We want to make all our customers' lives easier. And we have a strong tradition of leading developments in technology.

In addition to digitalisation, there is regulation.

Stricter regulatory requirements in some areas increase the costs for us as a bank. But it also raises the bar for new entrants. It weeds out those who are not serious.

However, requirements have been reduced in other areas, which increase competition and transparency. This empowers the consumers. Gives them more options. Which in turn means that prices go down – and then the banks' revenues are pressured.

And do you know something? This development is good! For customers. For society. But also for us as a bank, as it spurs us on even more to lead the way.

And finally: the situation in our surrounding world.

There is turmoil in the world. Concern on the stock market. New regulations and negative interest rates.

We have shown that it is possible to present stable profitability and a strong financial position, even in difficult times. Building trust and stability for customers, employees and shareholders. Capital and buffers.

And we will continue to do this.

So to my third and final topic. How do we tackle the challenges?

The answer lies in our values. Open, Simple, Caring.
We are a bank that stands for something. Through our responsibility, our culture and our social engagement. As we enter new times and face new challenges.

And the answer, of course, lies in our employees.
Competent and engaged employees are not only able to make our customers satisfied – but also our shareholders.

We will continue on our chosen path.

Thank you!

