

Opening speech by the Chair of the Board
Swedbank's Annual General Meeting
22 March 2018
Lars Idermark

Shareholders,

A warm welcome to Swedbank's Annual General Meeting for 2018.

Banking has to be a long-term operation – when it comes to dealing with business, risks and corporate culture.

In Swedbank we have sound cost control, ample capital and low risk in our operations. Credit quality is high in all our domestic markets and we continue to have good profitability.

This creates scope for future investments and means that we can go on being attractive for investors, customers and employees.

2017 was another strong year with a result of almost SEK 19.4 billion. This makes it possible for the board to recommend, for the sixth consecutive year, that 75 per cent of this year's profit should be distributed to you shareholders.

But there are many more who benefit when Swedbank performs well. A large proportion of our dividend is returned to society, not least to future pensions.

Many of you, like those who represent Swedish pension funds, have the important task of managing pension savings. Roughly 40 per cent of our owners have head offices outside Sweden and they also manage large amounts of pension capital.

Other major Swedish owners are the Savings Bank Group and the Savings Bank Foundations. Altogether they own 13.7 per cent of the shares, which corresponds to a dividend payment of about SEK 2 billion.

Swedbank and the savings banks have strong social commitments in many places throughout Sweden. Scholarship and projects provide support for the life of local communities and this contributes to their future development.

The number of our investors shows that we are a shareholder-friendly bank. Our roots lie in the Savings Bank movement and this sets its stamp on our values. At the same time we are a top-level European listed company and we shall continue to work hard to go on being one. Swedbank is both local and global.

Good corporate governance, risk management and internal controls are central aspects for both our commercial operations and for the trust of our customers, owners, staff and the authorities.

2017 has been a good year for many of the world's economies.

The economy in the USA is enjoying a tailwind, we see sound and very welcome growth in Europe, and the Nordic and Baltic countries are benefiting from the global economic upswing. What we are seeing is global, harmonised growth, which is unique.

Sweden depends on free trade and is a reflection of the global economy. We enjoy a favourable climate for investment, strong exports and sound growth.

At the same time we can expect central banks to raise interest rates. The stock exchange turbulence at the beginning of the year shows that the market is nervous. The major question is how growth can be balanced with a return to more normal interest levels. Recent restrictions of free trade are also very disturbing and can have major negative consequences. Free trade creates growth, welfare, increased competition, more innovation and benefits for consumers

During the year the board has supported the executive's focus on raising customer satisfaction, expanding the digital infrastructure, increasing availability and developing our products and services.

The three megatrends of globalisation, urbanisation and digitalisation affect both the financial market and the labour market. Physical products become digital, money is one example of this. Manual working tasks disappear and technological skills are increasingly in demand

One of the issues to which the bank gives highest priority, as do our customers according to surveys, is a secure and reliable IT system. During the year the executive management and the board have therefore received special training in cybersecurity and rehearsed different crisis scenarios.

It is said that knowledge is the mother of life – and it may be that experience is the best teacher. At any rate the board has devoted considerable effort to minimising the risk of conflicts of interest and this review has covered the entire group.

We have also intensified our work on sustainability, the environment and gender equality – which form part of our business concept.

Since 2014 the proportion of women in management has risen from 31 to 44 per cent and the proportion of women in leading positions from 29 to 41 per cent. The gender balance in the board will also improve with as many women members as men if this meeting decides to adopt the proposals of the nominations committee.

Last year Swedbank was awarded the Anna equality prize, an acknowledgement that we are doing the right things. The prize is awarded each year in Sweden to an individual or company in the financial sector that stands out for its work for gender equality and diversity.

We have also attracted attention for our work with sustainability. Last year Sweden was nominated as one of the most sustainable banks in the Sustainable Brand Index Business to Business study. Decision makers in Sweden's largest companies make the assessments used in the largest study of sustainability in the Nordic countries.

During the last two years we have been working intensively on the introduction of the new EU regulations.

MiFID2 came into force in January and is intended to raise the transparency of financial advice. Customers are given more straightforward information about fees so that it is easier for them to compare different savings products from different suppliers.

Two more regulations come into force in May. One of them is the General Data Protection Regulation, GDPR, which imposes more demands about how we deal with information about our customers. The other is the new Payment Services Directive, PSD2, which provides third-party operators with access to bank customers' account details.

This means that banks are no longer competing with other banks but with all those who offer financial services.

In two years we will be celebrating our second centenary. The history shared by the banks goes all the way back to 1820. This is when Sweden's first savings bank was established in Göteborg following European examples.

The savings bank concept soon gained a footing in Sweden and in their heyday the country had 498 savings banks, this was in 1928. After that the banks began to merge to increase their strength.

Last year we already have something to celebrate: this was when Robur was 50 years old. It was in fact in 1967 that Robur's first fund, Sparinvest, was started. We were the first to offer the Swedish population bank-associated funds on a wide scale.

In this way even those with low incomes could improve their lives. If you saved SEK 100 a month, today you would have SEK 4.5 million. More than pocket money.

Today Swedbank Robur is Sweden's largest fund management company. 3 million of the bank's customers are saving in Robur funds.

Through our history we can show the importance of long-term saving for children or for retirement and that it pays. This is just as applicable today as it was then.

One of the most important factors behind our capacity to deliver good results over time is our history.

- We have to dare to take a long-term approach when the banking sector is facing challenges from new competitors.
 - We have to be able to nurture close customer relationships in an increasingly digital world.
 - We have to continue to safeguard our inheritance and allow our value platform to be the lodestar in all we do and all that we stand for.
-

I view the future optimistically.

Today we are a very strong, robust and competitive bank.

There is great commitment in the bank and a great deal of effort is devoted to change, largely thanks to our loyal and competent employees.

The board and the executive management have identified good ways of working together. We have clear goals and implementation strategies. This means that we can devote our energy to developing our competitiveness.

On behalf of the board I would like to thank Birgitte and the bank's executive management for the excellence of their work during the year. And I would like to thank all of you sitting here today for the confidence expressed in me.

Once again, welcome to the Annual General Meeting for 2018.

With these words I now declare the meeting open.

And now on to item 2 on the agenda, election of a chairperson for the meeting.