



Andra AP-fonden

Second Swedish National Pension Fund - AP2

Corporate Governance from two perspectives

Eva Halvarsson, 15 June 2006

Presentation

- **Corporate Governance in State owned companies**
- **Corporate Governance in the Second AP Fund**
- **Similarities and Differences**
- **The Swedish Code of Corporate Governance**
- **The Future**

The State Portfolio

- 55 companies, 41 of which are owed 100 %.
- Estimated value 675 BnSEK
- Turnover 311 BnSEK
- Net profit 63 BnSEK
- Dividend 26 BnSEK
- Employees approx 188 000

Focus areas – the state

- **Transparency**
- **Board nomination issues**
- **Capital structure / restructuring**
- **Role of auditors**

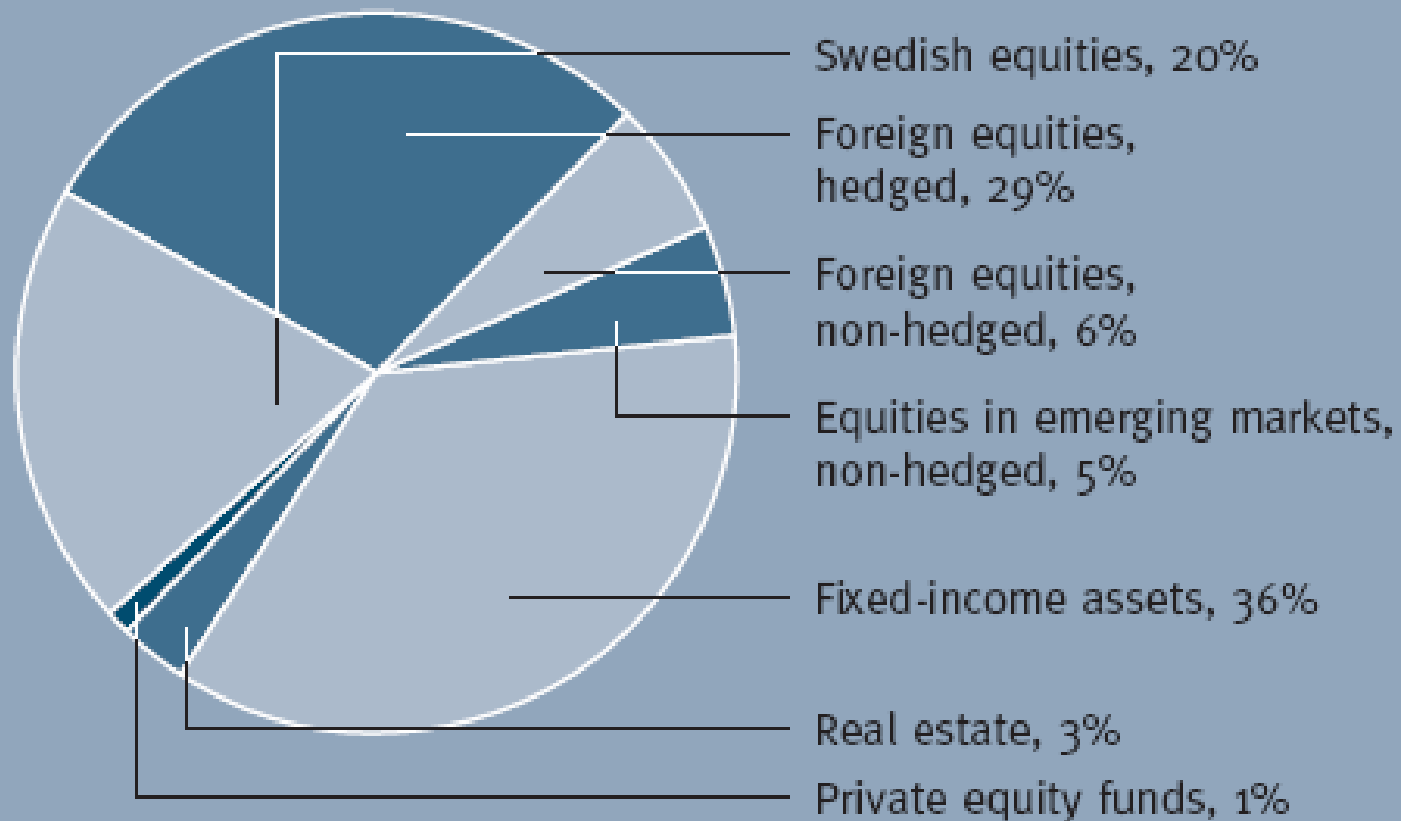
Results / Consequences

- **Standard of reporting**
- **Divestments/restructuring**
- **Focused discussion on capital structure**
- **Professional board recruitment process**
- **Extended dialogue with auditors**
- **Value growth!**

Tools – the state

- **Analysis / Knowledge**
- **Board representation**
- **Dialogue**

AP2 Strategic Portfolio 2006



Corporate Governance at AP2

- Corporate governance strategy
- Governance logbook

The Second AP Fund's governance logbook

	Corporate structure	Capital-structure	Ownership structure
Company V	●	●	●
Company X	●	●	●
Company Y	●	●	●
Company Z	●	●	●

Tools – AP2

- **Analysis / Knowledge**
- **AGM, nomination committees**
- **Dialogue**
- **Cooperation with other owners**
- **Public debate**

Similarities and differences

Similarities

Responsibility
Public interest
Tools

Differences

Influence
Public debate
Practical implementation

The Swedish Code of Corporate Governance

- Don't compare to SOX!
- Best practise / nothing new
- Basic quality

The Future

- **One common code of corporate governance**
- **More focus on policies and actions**