

FINAL VERSION**Opening statement by the Chairman of the Board
Annual General Meeting of Swedbank, 28 March 2019
Lars Idermark**

Honoured shareholders, ladies and gentlemen – welcome to Swedbank’s 2019 Annual General Meeting

This morning, Swedbank's Board of Directors dismissed Birgitte Bonnesen from the position as President and CEO of Swedbank. The Board of Directors has appointed the current CFO, Anders Karlsson, as acting President and CEO of Swedbank.

Birgitte has made an invaluable contribution. Together with Group Management, she has created a leading digital bank with physical presence. She has also, among other things, increased the employees' pride, kept the costs down and most recently, she delivered one of the most profitable years in the bank's history.

But the last few weeks have meant huge strains on the bank. The Board has therefore come to the conclusion that a new leadership is needed to restore confidence in the bank.

Stormy weather has been swirling around Swedbank recently. It's been a dramatic period in many ways since the reporting of suspected money laundering began in mid-February.

As the Chairman of the Board of Swedbank, I am deeply sorry about this. The primary task of the Board and management is to work every day for your best interests as shareholders, both Swedish and non-Swedish owners, in good times and bad.

We banks are closely watched in normal circumstances. We are important institutions in society. I both understand and welcome this.

I also understand that questions quickly multiply and that the tone easily becomes more high-key when special situations arise like the one we are in right now. This has to be accepted even if I am personally a bit surprised about how it comes to expression.

I will talk about four areas today:

- 1.) Swedbank's work to discover and prevent suspected money laundering
- 2.) Communication
- 3.) The on-going preliminary investigation at the Swedish Economic Crime Authority
- 4.) The assertion that Swedbank is to have misled American authorities

But before I do, I want to present how I view the Board's and management's task in the situation we are in:

1. Focus on the issue at hand.

2. Make sure that the laws and regulations that exist are followed.
3. Respect the demands and requests of authorities, and cooperate fully with the authorities examining and investigating us.
4. Follow and respect the rules we have as a listed company. What's usually called *governance*. In other words, be specific about the division of responsibility – what are the roles and responsibilities of the Board and management, as well as the owners?
5. Keep in mind that the best interests of the organisation always come first.

I usually say that sometimes when things are at their most heated “Nothing is necessarily what it looks like”. Everything ultimately becomes clear.

But I would also like to say that in Swedbank there has been and is something to return to and gather strength from in the recent turbulence. This is the fact that we don't feel familiar with the negative picture of us being painted by different interests.

Swedbank stands for long-term thinking through strong, positive values and has done so for almost 200 years in service to society and the customers. Swedbank is a very well-run company and plays an important role for many people. We make a difference and make people, businesses and communities grow where we work.

As we are now summing up the business of 2018, Swedbank's earnings of more than 21.1 billion Swedish kronor are the best ever.

This makes it possible for the Board, for the seventh consecutive year, to propose that 75 per cent of the profit for the year be paid as a dividend to you shareholders. This corresponds to a dividend of 14.20 kronor per share.

It's important to remember that a large part of our dividend goes back to society. Especially to future pensions.

Let me now get back to the areas I mentioned at the beginning. I'll start with Swedbank's work to discover and prevent suspected money laundering.

I really want to emphasise that we take this very seriously. I also see that the issue has gained many different dimensions as it has made several rounds in the media. For my own part, I am focusing on the issue at hand.

What does the work of discovering and preventing suspected money laundering look like?

At Swedbank, we devote extensive resources to this. It's a matter of both human resources and ensuring that we have the best technical support available in place.

Our responsibility is to make sure that we get to know our customers before they become customers in the bank. This is called customer due diligence.

Furthermore, it's our responsibility to check that the activity that takes place in connection with each customer in the bank is in line with the information the customer has provided.

To ensure this, we conduct risk analyses and use all of the control functions at our disposal.

Sometimes, we prepare in-depth analyses in report form linked to special customers. These analyses can form the basis of the cases where we report suspected money laundering to the financial intelligence unit of the police and relevant authorities.

And we monitor the transactions that go through our bank around the clock.

To live up to our part of this responsibility, we work based on the regulatory frameworks that apply in different countries, and we cooperate with authorities.

We report suspected money laundering to the financial intelligence unit of the police – then it's the police who investigate if a crime was committed.

We aren't the ones who decide this. And this is also how it's supposed to be in a country with the rule of law.

This is how we work. At Swedbank, we feel a great sense of responsibility for our customers, our role in society and our significance in the financial system.

But in order for focus to be on the matter of fact, it's important to understand the division of responsibility.

The banks can only control part of the chain that has to be strong in every link for society to succeed in discovering, preventing, investigating and prosecuting the criminals behind money laundering attempts.

Money laundering is absolutely not just an issue for the banking system. It is just as much an issue for society as a whole.

In my opinion, it will demand more from future cooperation both nationally and internationally to stop money laundering. All of us struck by money laundering attempts must accept our part of the responsibility. But none of us will succeed on our own without cooperation with supervisory authorities, justice authorities and the public.

Have we at Swedbank lived up to our obligations in terms of preventing and discovering suspected money laundering?

This is a question our authorities have to answer. We therefore welcome the examinations now under way. I cannot emphasise enough that we are cooperating fully.

Our own examination of the information that appeared in the media provided a few answers last week. I will come back to this shortly.

In a major bank like Swedbank, there are millions of transactions every day, year-round. The absolute majority of all transactions consists of transfers between private individuals and companies that are completely unproblematic. Handling transactions is an important part of our mission as a bank.

Unfortunately, attempts at money laundering are a part of the everyday activities of banks. Awareness has increased around these challenges in recent decades. This is true of society as a whole. The world has become more global, the capital markets have been deregulated and the rules have also changed with digitalisation.

This change is taking place at a very high pace and we at Swedbank are developing and changing in pace with the times and new regulatory frameworks.

The second area I want to talk about is communication. At Swedbank, we have been criticised for how we have handled this aspect.

I can understand that we have been perceived as rigid and guarded, and for that I would like to sincerely apologise. That was never our intention. We have reason to be self-critical. And this is something we are taking with us into the work we have to do moving forward.

We have listened to the criticism and our ambition is to be as clear as we possibly can within the limits of the law.

The external examination made public last week was the first step in bringing clarity to the outstanding questions that exist.

Our external examiner, Forensic Risk Alliance, has delivered its preliminary update in line with the assignment given by the bank. In other words, to make a preliminary assessment of the list of 50 names we received from Sveriges Television.

The examination showed that, to the extent that anyone on the list had been a customer in Swedbank, they are no longer customers.

Is it enough to devote three weeks to looking at 50 names to be able to say that we've gone to the bottom of such important questions? The answer is no. We in the Board don't think so.

We have therefore decided to conduct a more in-depth analysis in cooperation with relevant authorities.

At Swedbank, we will ensure that external reviewers and the relevant authorities get the materials they need and request so that they will be able to do their in-depth analysis. This includes previously prepared internal working materials and internal reports.

The issue of openness is central. We will strive for openness by sharing facts as far as possible.

The Swedish Economic Crime Authority opened a preliminary investigation a few weeks ago. It includes suspicions of illicit disclosure of insider information and fraud.

Yesterday, they came to our head office in Sundbyberg to gather information. We are of course cooperating fully.

I also want to add that no individual or legal entity has been notified of any suspicion of crime.

Information has also come forth in the media that Swedbank is alleged to have misled American authorities.

In our opinion, we are truthful and accurate in our communication with all authorities.

As you shareholders already know, Swedbank is a retail bank with a low risk profile that focuses on domestic customers in our four home markets in Sweden, Estonia, Latvia and Lithuania.

Since a lot has recently been about our operations in the three Baltic countries, I would like to say that we are incredibly proud of the development that has taken place in these countries since they became free democratic countries and members of the EU. Being able to be the leading bank in these countries is an honour and we take our work very serious. We are involved in creating conditions for the positive development of these countries every day.

Honoured shareholders, I will now round off, and I would like to do so with the following five messages to take home:

1. Swedbank has been ranked as one of Europe's leading banks with strong profitability and good future prospects. This will continue to be our goal.
2. Our current goals and strategies remain steadfast.
3. If extra resources are needed to discover and prevent money laundering in Swedbank, these resources will made be available.
4. We will continue to be a shareholder-friendly bank.
5. We will do everything in our power to regain the trust we understand very well has taken a beating this late winter.

Swedbank stands for long-term thinking through strong, positive values and has done so for almost 200 years in service to society and the customers. Swedbank is a very well-run company and plays an important role for many people. We make a difference and make people, businesses and communities grow where we work. We will continue to do so.

With these words, I would again like to welcome all of you and declare the Meeting to be opened.

We are going over to agenda item two, election of the chair of the Meeting.

Proposed agenda

1. Opening of the Meeting and address by the Chair of the Board of Directors
2. Election of the Meeting Chair
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of two persons to verify the minutes
6. Decision whether the Meeting has been duly convened
7.
 - a) Presentation of the annual report and the consolidated accounts for the financial year 2018
 - b) Presentation of the auditor's reports for the bank and the group for the financial year 2018
 - c) Address by the CEO
8. Adoption of the profit and loss account and balance sheet of the bank and the consolidated profit and loss account and consolidated balance sheet for the financial year 2018
9. Resolution on the allocation of the bank's profit in accordance with the adopted balance sheet as well as decision on the record date for dividends
10. Decision whether to discharge the members of the Board of Directors and the CEO from liability
11. Determination of the number of Board members
12. Determination of the remuneration to the Board members and the Auditor
13. a-j) Election of the Board members
14. Election of the Chair of the Board of Directors
15. Election of Auditor
16. Decision on the Nomination Committee
17. Decision on the guidelines for remuneration to top executives
18. Decision to acquire own shares in accordance with the Securities Market Act
19. Decision regarding authorization for the Board of Directors to decide on acquisitions of own shares in addition to what has been stated in item 18
20. Decision on authorization for the Board of Directors to decide on issuance of convertibles
21. Decision on performance and share based remuneration programs for 2019
 - a) Approval of the resolution of the Board of Directors on a common program 2019 ("Eken 2019")
 - b) Approval of the resolution of the Board of Directors regarding deferred variable remuneration in the form of shares under the Individual Program 2019 ("IP 2019")
 - c) Decision regarding transfer of own shares
22. Decision on amendments to the Articles of Association
23. Matter submitted by the shareholder Göran Westman regarding suggested proposal to, on request, make available to shareholders a digital version of the voting list
24. Matter submitted by the shareholder Göran Westman regarding suggested proposal to implement the Lean-concept
25. Closing of the meeting

AGM speech

2019-03-28

Standing here today is a strange situation to say the least. The recent weeks have been very trying. For Swedbank. For our employees. For our customers. And unfortunately also for you, our shareholders. I've been with the bank for almost 18 years in two rounds. And I'm incredibly proud of our bank. Your bank.

We are really the bank for the multitude of households and businesses in all four of our home markets.

We have strong values. Proud and competent employees. And we deliver world-class profitability. We also have a clear plan for the bank's development. And it remains steadfast.

But the recent weeks have been very tough. The share price has dropped sharply. Confidence has been damaged. And we have gone from self-assured to a little uncertain. It's not good. On a personal level, I've seen how one of my closest colleagues, my manager, has been hard pressed by the media.

But I've also seen the great solidarity we have in the bank. And it's given me strength. When the Board of Directors asked me to serve as the acting CEO of the bank after Birgitte, it was natural for me to say yes. And there is a contributing factor to this. I feel a strong sense of loyalty to the bank. To our customers. To our employees. And to you. And because I know that we need calm now, while the various investigations are under way. And also now as the Board searches for a permanent CEO for the bank.

But the issue that has been central for around six weeks' time is money laundering. Investigations are now under way. I don't want to jump ahead of them. But their findings will be important for the bank. Although this is partly subordinate just today. Because confidence in us has been damaged. We have overestimated the general knowledge of what money laundering is. And we have underestimated the need to describe the global challenge that money laundering entails. Money laundering exists. It is often deeply criminal individuals and elements that misuse the international banking system to make ill-gotten gains appear legitimate. But money laundering does not only affect the banking sector. And nor can we fight this kind of crime alone.

It demands cooperation. On the development of regulations. On the partnerships between the public and private sectors. And also on technology and standards.

In Swedbank, the know-your-customer processes and monitoring of transactions are central parts of our work to forestall and prevent money laundering. But being alone is not being strong. The cooperation with other actors, the exchange of knowledge, can improve. And the sector and society must also change in pace with the changing behaviour of criminals.

But now we are where we are. As mentioned, examinations are ongoing. And that's good. The scrutinising role of our supervisory authorities ensures quality and develops us in our work. We saw this in Latvia in 2016 and in Lithuania in 2018 after our supervisory authorities gave us sanctions. And we've seen this in Sweden in the form of recommendations from the Swedish Financial Supervisory Authority.

This got us to take important steps forward in our work. Recently, it's been a lot about money laundering. But it has also been a lot about communication. Perhaps we should have been more explanatory. But it's been hard. Bank secrecy sets limits. Disclosure bans and professional confidentiality set limits. We must not compromise on these points. But at the same time, we have to be sensitive and listen to what our stakeholders are saying.

But to this regard, perhaps the media above all must have respect for the fact that the limitations we must observe exist. This is how it will stay. The laws generally exist to protect our customers and their data. And that's good.

But let me touch on 2018, which as Lars and the Board have already noted, was one of our best years ever. As the CFO, which is my ordinary role, I am of course proud of our fantastic profitability. 16.1 per cent in return on equity. And of course I'm proud of our low cost-to-income ratio of 0.38. But financial earnings are not made in a vacuum. They are made by hard work, by committed employees and by continuous development based on a set plan.

In 2018, we gathered the bank's business and IT development into common units. This was to more quickly be able to develop our offering with the customer in focus. We continued to update our digital platforms, the Internet bank and the app, in both the Baltics and Sweden. And we successfully turned the trend for telephone banking in Sweden. Both in terms of how quickly we answer and what service we provide.

But development has just begun.

Today, we are a leading digital bank with a physical presence. We will continue to be this. Focus in 2019 will be on the development of digital channels. It will be on strengthened service at the offices. And in parallel with this, focus also has to be on restoring confidence. It is my foremost responsibility as acting CEO to begin this journey together with our almost 15,000 fantastic employees in the bank.

Thank you.

TRANSLATION

Proposal of the Nomination Committee of Swedbank AB in accordance with item 2, 12-17 of the proposed Agenda for the AGM 2019

The nomination committee for the 2019 Annual General Meeting

Swedbank's 2018 Annual General Meeting adopted a Nomination Committee selection process for the 2019 Annual General Meeting. The Nomination Committee shall, in accordance with the decision, consist of six members, namely the five largest shareholders or owner-groups who wish to appoint a member and who have the largest shareholding in the bank, based on shareholdings known on the last banking day in August 2018, and the Chair of the Board of Directors.

The Nomination Committee has consisted of the following members:

- Lennart Haglund, appointed by Sparbankernas Ägareförening, Chair of The Nomination Committee,
- Jens Henriksson, appointed by the owner-group Folksam
- Ramsay Brufer, appointed by Alecta
- Johan Sidenmark, appointed by AMF
- Peter Karlström, appointed by the owner-group Sparbanksstiftelserna
- Lars Idermark, Chair of the Board of Directors of Swedbank AB (publ)

Prior to the Annual General Meeting the Nomination Committee has submitted proposals for:

- the election of the Chair of the Annual General Meeting
- the number of Board members
- fees for the Board members elected by the Annual General Meeting, including fees for Board committee members work
- fees for the external auditor
- the election of the members of the Board of Directors and Chair
- the election of external auditor
- principles on how the Nomination Committee shall be appointed

Work of the Nomination Committee ahead of the Annual General Meeting

The present Nomination Committee held its statutory meeting on 11 September 2018, in accordance with principles adopted by the Annual General Meeting, with Lennart Haglund as Chair. The composition of the Nomination Committee was made public via a press release on 12 September 2018.

The Nomination Committee has examined a written internal Board evaluation. As part of the Board evaluation, the Chair of the Board of Directors has conducted one to one meetings with each board member. The Chair of the Board of Directors has orally briefed the Nomination Committee regarding the outcome of these meetings. In addition, the Nomination Committee has (the Chair of the Board of Directors not present) interviewed two of the members of the board about their experience and view of the work in the Board of Directors. In short, the evaluation showed that the work of the Board of Directors is well functioning and the Chair of the Board of Directors is considered to lead the work very well and to create a good working atmosphere.

Based on the board evaluation, oral reports and other information, the Nomination Committee has discussed the Board of Director's composition, the competence that should be represented in the Board of Directors as well as the size of the Board of Directors. The Nomination Committee has in its work taken into account Swedish legislation regarding the maximum number of board assignments that a board member in a bank is allowed to have. In addition, the Nomination Committee has assessed the candidates' ability to devote enough time on the assignment as well as the overall collective knowledge and expertise of the members.

Finally, the Nomination Committee has, in accordance with requirements set out by the European Banking Authority (EBA), conducted an assessment of suitability of the proposed candidates. The Nomination Committee has in this assessment evaluated and documented the experience and competence, reputation, potential conflict of interest and the suitability in general of the candidates.

The Nomination Committee has worked unconditionally with the intention to provide Swedbank with the best and most suitable Board of Directors, in accordance with the guidelines set for the nomination proceedings. The Nomination Committee has especially emphasized the importance of experience from the financial sector, change management, digitization and operational management of a complex customer-driven business. The strive for equality between genders as well as the diversity perspective have been considered.

The Nomination Committee has decided to nominate Lars Idermark to be re-elected as Chair of the Board of Directors. Lars Idermark's background from operational work in the bank, years of experience from capital management, leading positions in companies of diverse nature, and the successful and well balanced presidency of the Board of Directors have been considered. Lars Idermark has not been present when the Nomination Committee has discussed the proposal for Chair of the Board of Directors.

The Nomination Committee assesses that nominated board members have the collective experience and expertise required and that they form a bank Board of Directors, well equipped to lead Swedbank into the future.

In addition, the Nomination Committee has discussed and proposed external auditor, Board of Directors' fees, external auditor's fees and principles on how the Nomination Committee shall be appointed. Finally, the Nomination Committee has discussed the election of the Chair of the 2019 Annual General Meeting.

The Nomination Committee has met on seven occasions, and interviewed two of the current Board members. The Nomination Committee members have not received any fees or other

remuneration from Swedbank for their work. The work in the Nomination Committee has been characterized by an open and constructive dialogue and a good atmosphere.

The Nomination Committee's proposal for the Annual General Meeting

Proposal regarding Chair of the Annual General Meeting

Proposal

The Nomination Committee proposes that Counsel Wilhelm Lüning should be elected as Chair of the Annual General Meeting 2019.

Reason:

Wilhelm Lüning is suitable to chair the Annual General Meeting due to, among other things, his competence in company law and experience from chairing general meetings in listed companies.

Proposal regarding the number of Board members to be elected at the Annual General Meeting

Proposal

The Nomination Committee proposes that, for the period until the end of the next Annual General Meeting, the Board of Directors shall consist of ten members elected by the Annual General Meeting. The proposal means an unchanged number of Board members elected by the Annual General Meeting, since one Board member resigned in January 2019, and one person is proposed for election.

Reason:

According to Swedbank's Articles of Association, the Board of Directors shall consist of at least seven and at most eleven members.

The Annual General Meeting 2018 decided that the number of Board members should increase from nine to ten. In January 2019, one Board member announced that, due to another assignment, the member was prevented from continuing the assignment in Swedbank's Board of Directors. In the original proposal from the Nomination Committee, it was proposed that the number of Board members should be reduced from ten to nine. In view of the recent reporting on suspected money laundering, the Nomination Committee intends to further strengthen Swedbank's Board of Directors. Hence, the Nomination Committee proposes that, in addition to previous proposal, the number of Board members should be unchanged compared to 2018.

Proposal regarding the remuneration of the Board of Directors and auditor

Proposal

The Nomination Committee proposes to raise the remuneration to the Board of Directors calculated on an annual basis as follows, corresponding to an average raise of 5,3 percent (calculated on proposed number of members): SEK 2,630,000 (presently 2,540,000) to the Chair of the Board of Directors; SEK 885,000 (850,000) to the Deputy Chair of the Board of Directors; SEK 605,000 (570,000) to each of the ordinary members of the Board of Directors; SEK 395,000 (360,000) to the Chair of the Board's Audit Committee; SEK 240,000 (232,500) to each of the other members of the Board's Audit Committee; SEK 430,000 (410,000) to the Chair of the Board's Risk and Capital Committee; SEK 250,000 (230,000) to each of the other members of the Board's Risk and Capital Committee; SEK 105,000 (102,500) to the Chair of the Board's Remuneration Committee; SEK 105,000 (102,500) to each of the other members of the Board's Remuneration Committee. It is noted that Lars Idermark, current Chair of the Board of Directors,

has not participated in the discussions in the Nomination Committee regarding proposal on remuneration to the Chair of the Board of Director.

Only Board members elected by the Annual General Meeting shall receive remuneration.

Reason:

The Nomination Committee notes that the work in the Board of Directors of Swedbank is complex, time-consuming, highly regulated and sets high demands on the Board members commitment and expertise. It is further noticed that the workload in the Board's Risk and Capital Committee has increased during the year, e.g. due to the entering into force, on June 30, 2018, of the European Banking Authority's (EBA) guidelines on internal governance (GL11), resulting in that all risks, except financial risks, now are prepared in this committee. Also the complexity of the work of the Board's Audit Committee has increased due to increased focus on risks in connection with financial reporting. The proposed remuneration for the Board of Directors is considered to be on market level, though not market leading.

Proposal regarding the audit fee

The Nomination Committee proposes that the external auditor's fee, shall be payable by approved account.

Proposal for election of board members and Chair of the board

The Nomination Committee has adopted guidelines for suitability assessment and promotion of diversity etc. The guidelines are applied in the Nomination Committee's work with the nomination of board members, and can be summarized as follows:

- With regards to the bank's business, development phase and expected future direction, the Board of Directors shall have an appropriate composition, characterized by diversity and width regarding the competence, experience and background of the General Meeting-elected members. Furthermore, the members of the board shall show good character regarding economic matters, and have relevant knowledge and practical experience in order to be able to lead the bank in a sound and responsible way. The need for renewal and succession planning, as well as continuity should be considered.
- The composition of the Board of Directors should be characterized by diversity regarding age, geographical provenance, educational and professional background, in order to promote independent opinions, sound decision-making and critical questioning.
- An even gender distribution shall be attained over time.
- The Board of Directors shall be ownership based and, at the same time, the need for independence from the bank, the bank's management and the bank's major shareholders shall be taken into account regarding the Board of Directors as a whole
- Deputies to board members elected by the Annual General meeting shall not be appointed

Proposal

The Nomination Committee proposes, in accordance with below, re-election of all current nine Board members for the period until the end of the next Annual General Meeting.

Re-election of

Bodil Eriksson
Ulrika Francke
Mats Granryd

Lars Idermark
Bo Johansson
Anna Mossberg
Peter Norman
Siv Svensson
Magnus Uggla

Election of

Kerstin Hermansson

The Nomination Committee proposes that the Annual General Meeting appoints Lars Idermark as Chair of the Board of Directors.

Reason:

All Board members have declared that they are available for re-election.

The assessment of the Nomination Committee is that it is suitable to propose Kerstin Hermansson for election.

Kerstin Hermansson (b. 1957) will contribute to the work of the Board with competence in matters relating to regulatory compliance and securities issues.

Kerstin Hermansson is the former CEO of the Swedish Securities Dealers Association (Svenska Fondhandlarföreningen), and has participated as an expert in several investigations commissioned by the Government regarding the regulation framework for the securities market. She has closely monitored the regulatory development in the EU over the past ten years, with a focus on the securities market. She has also been active in the European Banking Federation and ESMA's (European Securities and Market Authority) Securities and Markets Stakeholder Group, and is a Board member of SwedSec Licensing AB and the Seventh AP Fund. She holds a law degree from the Lund University.

Proposed members' independence according to the Swedish Corporate Governance Code

The Nomination Committee considers all proposed Board members, except Bo Johansson, to be independent in relation to the bank and the bank's management. The Nomination Committee considers all proposed Board members to be independent in relation to the bank's major shareholders.

When assessing the independence, the Nomination Committee has considered the following aspects: Bo Johansson is the Managing Director of Sparbanken Sjuhärad AB, which according to the Swedish Corporate Governance Code is to be considered a closely related company to Swedbank. Furthermore, Swedbank and Sparbanken Sjuhärad have extensive business relations through a co-operation agreement entered by the parties.

Further information regarding the proposed Board members is available on www.swedbank.com, under the heading Annual General Meeting.

Proposal for election of external auditor

Proposal

The Nomination Committee proposes election of PwC Sweden AB for the period until the end of the Annual General Meeting in 2023.

Reason

The Nomination Committee has examined statements and comments from the Board's Audit Committee regarding proposal for election of external auditor, interviewed the Chair of the Board's Audit Committee regarding the selection process, and met with representatives from PwC's proposed auditing team. The recommendation and preference of the Board's Audit Committee is that PwC Sverige AB is elected as external auditor for Swedbank AB. The Nomination Committee shares the opinion of the Board's Audit Committee and considers it suitable to propose election of PwC Sverige AB as external auditor for Swedbank AB, since the company is expected to manage the assignment as external auditor in a correct and efficient way.

Principles on how the Nomination Committee shall be appointed

Proposition

The Nomination Committee proposes the following principles on how the Nomination Committee shall be appointed.

- The Nomination Committee shall consist of six members. The members shall consist of the Chair of the Board of Directors and five members appointed by the five shareholders who wish to appoint a member and who have the largest holding in the bank based on shareholdings known on the last banking day in August 2019. If one of the five largest shareholders refrains from appointing a member, the right to appoint a member passes on to the next shareholder in terms of holdings, and who has not already appointed a member to the Nomination Committee. The right to appoint a member shall pass on until the Nomination Committee is complete.
- When applying these principles a group of shareholders shall be considered to be one owner if they have been organized as an owner group in the Euroclear system or have made public and simultaneously notified the bank via the Chair of the Board of Directors, that they have made an agreement to take – through coordinated exercise of their voting rights – a common long term view with respect to the management of the bank.
- When appointing the Nomination Committee, a shareholder who wishes to appoint a member shall confirm to the Chair of the Board of Directors that the above mentioned conditions that give right to appoint a member still are correct.
- The Nomination Committee has a right to co-opt a member appointed by a shareholder who has become one of the five largest shareholders after the Nomination Committee has been constituted, provided that such shareholder has not already appointed a member to the Nomination Committee. The co-opted member shall not participate in the Nomination Committee's decisions.
- The Nomination Committee's mandate shall be for the period until a new Nomination Committee has been constituted.
- The Nomination Committee shall appoint the Chair from amongst its members. The Chair of the Board of Directors shall not be Chair of the Nomination Committee.
- A member who leaves the Nomination Committee before its work is completed shall be replaced, if the Nomination Committee so decides, by another person representing the same shareholder or by a person representing the next shareholder in turn due to holdings, and who has not already appointed a member to the Nomination Committee.
- Members of the Nomination Committee shall not be remunerated for their work or costs incurred.
- The Nomination Committee has the right, at the expense of Swedbank, to engage a head hunter or other external consultants which the Nomination Committee deems necessary to fulfil its assignment.
- The duties of the Nomination Committee shall be, where applicable, before a coming Annual General Meeting submit proposals for decisions regarding:

- the election of a Chair of the Annual General Meeting
- the number of Board members
- fees for the Board members elected by the Annual General Meeting, including fees for Board committee members work
- fees for the external auditor
- the election of the members of the Board of Directors and the Chair of the Board of Directors
- the election of external auditor
- principles on how the Nomination Committee shall be appointed

Reason:

The Nomination Committee notes that the Swedish Corporate Governance Code states that the Annual General Meeting shall appoint the Nomination Committee members or determine how the members are appointed; the Annual General Meeting's decision shall include a procedure for replacing members who leave the Nomination Committee before it's work is completed.

The bank has had the current model for appointing the Nomination Committee since 2005. The Nomination Committee deems that the current model, which means that the Annual General Meeting decides how members of the Nomination Committee are to be appointed, is the most suitable model for Swedbank.

TRANSLATION

Proposal of the Board of Directors of Swedbank AB for a resolution on guidelines for remuneration to top executives in accordance with item 17 of the proposed Agenda for the AGM 2019

This proposal has been prepared by the Board of Directors of Swedbank AB after preparation by the Board's Remuneration Committee in accordance with Chapter 8 Sections 51–54 of the Swedish Companies Act (2005:551). The Board of Directors proposes that the AGM resolves on the following guidelines for remuneration for top executives.

Purpose and basic principles

These guidelines constitute a frame for which remuneration to top executives may be decided by the Board of Directors during the period of time for which the guidelines are in force.

The purpose of the guidelines is to increase the transparency in remuneration matters, to support the business objectives of the bank by effective remuneration structures and to establish basic values and guidelines for remuneration to the top executives of the bank.

Remuneration to and other terms of employment for the top executives of the bank shall be designed so that they are consistent with and promote effective risk management and counteract excessive risk-taking. Further, they shall be designed with the purpose of ensuring the bank's access to top executives with the competence that the bank needs at costs adapted to the bank and so that they have the intended effects on the business. Such remuneration and terms shall also:

- support the bank's vision, objectives, values and business strategy,
- encourage top executives to achieve set individual goals,
- be competitive and in line with market conditions, and
- be decided regardless of gender, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation or age.

Decision procedures

The Remuneration Committee of the Board shall review and evaluate the implementation of the guidelines, programs for variable remuneration for top executives that are in progress or have been completed during the year and applicable remuneration structures and remuneration levels in the bank. The Board of Directors shall not later than three weeks before the AGM submit a report of the outcome of the evaluation at the bank's web page, in its special section for corporate governance matters.

The Remuneration Committee of the Board shall each year prepare the Board of Director's proposal on guidelines. Based upon the Remuneration Committee of the Board recommendation, the Board of Directors shall each year make a proposal on guidelines to be resolved by the AGM.

The guidelines shall be applied in relation to every commitment on remuneration to top executives, and every change of such commitment, which is resolved after the AGM at which the guidelines were adopted. Thus, they have no impact on already pre-existing contractually binding commitments. The guidelines shall apply until the next AGM. Guidelines resolved upon may also be amended by way of a resolution by any other General Meeting.

Within the scope and on the basis of the guidelines, the Board of Directors shall, starting from Remco's preparation and recommendations, annually decide on the specific revised remuneration terms for each top executive and make such other decisions on remuneration for top executives that may be required.

Even without support in the guidelines the Board of Directors may decide on items that are immaterial in this context and of a conventional type as well as on such benefits as are offered to a larger group of employees, inter alia lunch benefits.

Fixed remuneration is paid out by the bank in accordance with agreements entered into. Payment of variable remuneration to top executives under any incentive program shall be decided upon by the Board of Directors with respect to each specific program.

The Board of Directors may deviate from these guidelines, if there in a specific case exist special reasons for it. Any such deviation shall be reported and motivated by the Board of Directors in connection with the proposal for guidelines to the next AGM.

Top executives

In this context top executives are defined as the CEO of Swedbank and the executives who are members of the Group Executive Committee.

Principles for decisions on remuneration levels

The levels of the remuneration to top executives shall be decided, taking into consideration the following factors:

- degree of difficulty and complexity of the position,
- revenue and cost responsibility,
- performance,
- competence and experience, and
- market conditions.

Principles for decisions on fixed remuneration and variable remuneration

The remuneration to the top executives can consist of the following components: *fixed remuneration* in the form of base salary, benefits and pension and *variable remuneration* in the form of cash or shares under incentive programs. When determining the various components, the following principles shall be applied.

Fixed remuneration

Base salary: Each top executive shall receive a base salary, i.e. a fixed salary.

Benefits: Each top executive may be entitled to both general benefits that are offered to all staff and special extra benefits.

Pension: Pension benefits shall generally be granted in accordance with rules, collective agreements and practice in the country where each respective top executive is permanently resident. Pension benefits for top executives may be defined benefit according to collective agreements and/or defined contribution and are vested once they have accrued. For top executives the pensionable income shall have a cap decided by the Board of Directors.

Severance pay etc: Generally, salary during notice period and severance pay shall correspond with rules, collective agreements and practice in the country where each respective top executive is permanently resident. Further, the following shall apply: If the bank terminates the employment, salary may be paid during a notice period of 6–12 months. In addition, severance pay based on fixed monthly salaries can be paid during 6–12 months. Total remuneration during notice period and the period when severance pay is due shall not exceed a sum corresponding to the agreed fixed salary at the time of notice and benefits in accordance with the employment agreement during 12 months and the agreed fixed salary for 12 months.

Further details on fixed remuneration are set out in note G 13 to the bank's annual report for the most recent financial year.

Variable remuneration

The General Meeting shall decide on material terms and conditions on any incentive program for top executives. Variable remuneration shall be relevant and reasonable in relation to total remuneration. Variable remuneration shall be linked to predetermined and measurable criteria and may be paid in the form of shares in Swedbank. For variable remuneration, limits for the maximum outcome shall be set for each individual top executive. Variable pay shall be deferred and be conditional on the criteria fulfilment on which the remuneration is based being proved long-term sustainable and on the group's position not having materially deteriorated.

The Board of Directors has, subject to the approval of the AGM 2019, resolved to establish a general performance and share based remuneration program for 2019 ("Eken 2019"). Top executives are as a general rule included in Eken 2019.

The Board of Directors has, subject to the approval of the AGM 2019, also resolved to establish an individual performance and share based remuneration program for 2019 ("IP 2019"). Top executives are as a general rule not included in IP 2019. However, the Board of Directors, or the Board of Directors' Remuneration Committee after a resolution by the Board of Directors, may grant exemptions from this where material grounds exist.

Further details on variable remuneration, are set out in note G 13 in the bank's annual report for the most recent financial year and the board's proposal according to item 21 in the proposed agenda for the AGM 2019.

Total remuneration cost

The total remuneration cost is comprised of the bank's annual cost for base salary, incentive programs, benefits and pension for each respective top executive, including social security contributions and special employer's contribution on pension costs.

Remuneration previously resolved but not due

Information of the pension undertakings of the bank are set out in note G 13 to the bank's annual report for the most recent financial year.

Stockholm in February 2019

Swedbank AB (publ)

The Board of Directors

TRANSLATION

Proposal of the Board of Directors of Swedbank AB for a resolution to acquire the bank's own shares pursuant to the Securities Market Act in accordance with item 18 of the proposed Agenda for the AGM 2019

Purpose, etc.

As a securities institution, Swedbank AB is authorised by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) to conduct securities activities, including trading in financial instruments on its own account.

Chapter 7 Sections 6 and 14 of the Swedish Securities Market Act (2007:528) govern trading by securities institutions in financial instruments in the form of their own shares to facilitate their securities operations. The holding of such shares may not exceed 5 per cent of the total number of shares in the institution.

According to Chapter 19 Section 17 of the Swedish Companies Act (2005:551), a financial institution's acquisition of its own shares through its securities operations requires the approval of the institution's General Meeting or, with the authorisation of the General Meeting, the Board of Directors.

According to Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, article 77, it is further necessary to receive approval from competent authorities, in the Swedbank case the Swedish Financial Supervisory Authority for the acquisition of own shares, also for acquisitions within the scope of the Securities Market Act.

Conditions for the acquisition, etc.

As has previously been the case, Swedbank has a need to acquire its own shares within the framework of its securities operations in order to facilitate such operations. Such acquisitions are required to enable the bank to, among other things,

- fulfil its market-maker commitment in respect of warrants in the bank, according to agreements with certain market places, inter alia, Nasdaq Stockholm;
- quote prices of the bank's shares to customers, as with shares of other listed companies; and
- manage risk coverage of indexed bonds issued by the bank as well as index baskets and warrants where the bank itself has assumed responsibility for part of the risk coverage.

The Board of Directors proposes that the AGM resolves to permit the bank to acquire its own shares to its so called trading book, in accordance with Chapter 7 Section 6 of Securities Markets Act, to the extent that the total holding of such shares at any given time does not exceed one (1) percent of the total number of shares in the bank during the time up until the AGM in 2020 in order to facilitate the bank's securities operations, subject to approval by the Swedish Financial Supervisory Authority of such acquisitions.

The Board of Directors' statement according to Chapter 19 Section 22 of the Swedish Companies Act is issued separately and is attached to this proposal.

Majority requirement

For a decision in accordance with the Board's proposal, it is required that the resolution of the AGM is supported by shareholders representing at least two-thirds both of the votes cast and of the shares represented at the Meeting.

Stockholm in February 2019

Swedbank AB (publ)
The Board of Directors

TRANSLATION

Proposal of the Board of Directors of Swedbank AB for a resolution authorizing the Board to decide on the acquisition of the bank's own shares according to item 19 in the proposed Agenda for the AGM 2019

Background and purpose

The current regulations on capital requirements introduced on 1 January 2014 mean that the bank's capital requirements were increased. Since their introduction the capital requirement regulations have been subject to additions and amendments that impact on the bank's capital requirement. The capital requirement regulations are expected to be subject to amendment in the future as well.

Given its current capitalization and earning capacity, the Board of Directors is of the opinion that the bank meets the regulatory capital requirements with an adequate buffer.

Further, the conditions for the bank's business as well as the external circumstances are constantly changing. The need can, therefore, arise to increase or reduce the capital base or change the relationship between Common Equity Tier 1 capital and other capital, for instance through repurchase of the bank's own shares, the issue of loans that may be included in the capital base or a combination of different measures.

For this reason, the authorization by the AGM for the Board of Directors to decide on the purchase of the bank's own shares is justified as one of several actions to enable the Board to continuously adapt the bank's capital structure to prevailing capital requirements.

As is made clear in item 20 in the proposed agenda, the Board of Directors proposes that the AGM in addition to this authorization also empowers the Board to decide on the issue of convertibles that may be included in the capital base.

As is made clear in item 21 c) in the proposed agenda, the Board of Directors proposes that repurchased shares may be transferred at no cost and in derogation of the shareholder's preferential rights to those participating in general and individual share and performance-based remuneration programs adopted by the AGM.

Section 17 of Chapter 19 of the Swedish Companies Act (2005:551) stipulates that a decision on the acquisition of a company's own shares that are traded on a regulated market has to be made by the AGM or, if the AGM so authorizes, by its Board of Directors. In addition, the approval by the competent authority, in the case of Swedbank Finansinspektionen (the Swedish Financial Supervisory Authority), is required for repurchase of the bank's own shares.

Conditions for the acquisition of the bank's own shares

In view of the above the Board of Directors proposes that the AGM authorize the Board to decide, during the period until the AGM in 2020, on the acquisition of the bank's own shares in Swedbank AB pursuant to the following conditions

1. Acquisition may only take place through purchases on Nasdaq Stockholm
2. The authorization may be utilized on one or several occasions before the AGM in 2020
3. The bank's total holding of its own shares (including shares acquired pursuant to item 18 in the proposed agenda) may not exceed one tenth of the total number of shares in Swedbank
4. Acquisitions may only be made at a price within the prevailing spread between highest bid price and the lowest ask price at the time of acquisition
5. Acquisition may only take place if Finansinspektionen has granted its approval

The statement by the Board of Directors pursuant to Section 22 of Chapter 19 of the Swedish Companies Act is issued separately and is attached to this proposal.

Majority requirement

For a decision in accordance with the Board of Directors' proposal it is required that the decision of the AGM is supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the AGM.

Stockholm February 2019

Swedbank AB (publ.)
Board of Directors

TRANSLATION

Proposal of the Board of Directors of Swedbank AB for a resolution authorizing the Board to decide on the issue of convertibles according to item 20 in the proposed Agenda for the AGM 2019

Background and purpose

The regulations on capital requirements introduced on 1 January 2014 mean that the banks are subject to higher capital requirements and that the banks were given the possibility of using subordinated equity instruments in, for instance, the form of convertibles in order to fulfill some of the capital requirements. Subordinated convertibles that qualify as core capital ("Additional Tier 1") in the capital base entail obligatory conversion to shares under certain predetermined conditions in order to absorb losses and enhance the bank's own capital in the event of financial difficulties, but do not confer any entitlement to conversion for the owners themselves.

The aim of the authorization to issue of convertibles is to provide flexibility and the possibility for the Board to optimize the bank's capital base. Further, the conditions for the bank's business as well as the external circumstances are constantly changing. The need can, therefore, arise to increase or reduce the capital base or change the relationship between Common Equity Tier 1 capital and other capital, for instance through repurchase of the bank's own shares, the issue of loans that may be included in the capital base or a combination of different measures. Subordinated capital instruments that can form part of supplementary capital ("Tier 2 capital") in the capital base may also be issued on similar terms.

For this reason, the authorization by the AGM for the Board of Directors to decide on the issue of convertibles is therefore justified as one of several actions to enable the Board of Directors to continuously adapt the bank's capital structure to prevailing capital requirements. As is made clear in item 19 in the proposed agenda, the Board of Directors proposes that the AGM should, in parallel with the proposed authorization below, also authorize the Board of Directors to decide on the repurchase of the bank's own shares.

Convertibles issued by virtue of the authorization are mainly sought by debt investors on the Swedish and international capital market and therefore have to be offered to the market both with and without derogation from the shareholders' preferential rights. The au-

thorization will have the result that the Board of Directors can decide on the issue of convertibles without convening an extraordinary general meeting.

Conditions for the issue

In view of the above the Board of Directors proposes that the AGM authorize the Board to decide, during the period until the AGM in 2020, on the issue of convertibles pursuant to the following conditions

1. The authorization may be utilized on one or several occasions before the AGM in 2020
2. Issues may take place with or without derogation from the shareholders' preferential rights
3. The convertibles will entail obligatory conversion to shares in the circumstances laid down in the conditions but do not confer any entitlement to conversion for the owners themselves
4. The size of the loan and the conversion conditions shall be determined so that the amount by which the share capital may be increased through conversion of convertibles issued by virtue of this authorization may amount to no more than ten (10) per cent of the bank's share capital
5. The convertibles are to be issued on market terms. The Board of Directors shall decide on all other terms and conditions for issue pursuant to this authorization

Majority requirement

For a decision in accordance with the Board of Directors' proposal it is required that the decision of the AGM is supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the AGM.

Stockholm February 2019

Swedbank AB (publ.)
Board of Directors

TRANSLATION

Proposal of the Board of Directors of Swedbank AB on approval of the resolution of the Board of Directors of Swedbank AB regarding the common performance and share based remuneration program 2019 (“Eken 2019”) in accordance with item 21 a) in the proposed agenda at the AGM 2019

The Board of Directors of Swedbank has resolved on a common performance and share based remuneration program for 2019 (“Eken 2019”), subject to the AGM’s subsequent approval, according to what is set out in the following.

Purpose and main features

Eken 2019 aims to:

- create a group-wide program for variable remuneration to attract, retain and motivate the employees and to ensure that Swedbank’s remuneration levels are competitive in every submarket,
- stimulate the employees to make efforts which strengthen the bank in a long-term perspective, and
- create a long-term engagement in the bank by the employees and to align their interests with the shareholders’ interest through deferred variable remuneration in the form of shares.

Eken 2019 shall be aligned to the bank’s business strategy, promote a sound and effective risk management and discourage excessive risk taking.

In essence, Eken 2019 means that to the extent certain performance targets (“Performance Targets”) are achieved during the financial year 2019 (“Performance Year”) the participants in Eken 2019 (“Participant or Participants”) are awarded a variable remuneration in the beginning of 2020 (“Share Performance Amount”), which is intended to be allotted in the form of conditional, non-transferable rights (“Performance Rights”). Each Performance Right carries a right to receive in 2023 after the publication of the year-end report for 2022, automatically and at no cost one share in Swedbank (“Performance Share”). For the executive management (i.e. the Group Executive Committee “GEC”) each Performance Right carries a right to receive in 2025 after the publication of the year-end report for 2024, automatically and at no cost one share in Swedbank (“Performance Share”). For GEC the Performance Shares may be subject to further restrictions of disposal to comply with external regulatory or other requirements.

The duration of the program is approximately four years for the general participants, and six years for GEC, with earning period during the Performance Year. After the expiry of the Performance Year, allotment of the Share Performance Amount may occur followed by a deferral period of approximately three years for the general participants and a deferral period of approximately five years for GEC, before final transfer of Performance Shares, which is expected to occur in 2023 for the general participants and 2025 for GEC, after the publication of the year-end report for 2022 or 2024, respectively, and before the end of June the respective year.

Variable remuneration in the form of shares is not pensionable income.

When amounts in SEK are described in this proposal, they are expressed exclusive of social security costs, ancillary salary costs and corporate income tax, unless otherwise stated.

Participants

Approximately 14.000 employees¹ of the Swedbank Group (the "Group") are included. Top executives are as a general rule included in Eken.

Staff included in the individual program 2019 ("IP 2019") or in the individual program Asset Management 2019 ("IPAM 2019") and staff included in other cash based variable pay programs are as a general rule not included in Eken 2019. Units that are excluded are amongst others the joint venture company Entercard, Ölands Bank and PayEx. Staff working with any of these units may be included.

Participants that in the course of the duration give or receive notice to leave, or due to any other reason is leaving the Group will not, as a general rule, have the right to continue to participate. Participants who enter leave of absence, parental leave, sick leave or similar during the Performance Year and remain employed have the right to continue to participate, subject to individual adjustments of the terms and conditions. Participants who have received allotment of a Share Performance Amount and after the allotment enter leave of absence, parental leave, sick leave or similar and remain employed or retire have the right to continue to participate. The Board of Directors' Remuneration Committee ("Remco") or the CEO (normally via the Group Executive Committee's Remuneration Committee ("GEC Remco"), if Remco so decides) are entitled to decide on deviations from the demarcations above both as general principles or in individual cases.

Any participation requires that such participation, in the bank's opinion, is permitted and appropriate with regard to applicable laws and regulations and that the bank deems it feasible at reasonable administrative and financial costs, where appropriate with local adjustments.

Performance Targets and Share Performance Amount

The allotment of the Share Performance Amount, i.e. the outcome for each Participant is dependent on the extent to which the Performance Targets are achieved. The Performance

¹ Full Time Equivalent employees.

Targets are measured during the Performance Year and are, for the majority of the Participants, determined based on the following evaluation levels:

- the profit after tax, adjusted for capital costs and risks, for the Group²,
- the fulfillment of individual Performance Targets set out in the bank's performance development process which also comprises assessing a number of behaviors linked to the Group's values – open, simple and caring,
- risk assessment which may be made at Group level and/or business area level and/or individual level.

The final assessment of the extent to which the Performance Targets have been achieved is made on a discretionary basis by the Board of Directors, or by a person authorized by the Board of Directors. The result of the assessment may be (i) that the total allotment is limited, in whole or in part, at Group level or at business area level (so called haircut) and/or (ii) that re-allocation may occur to the detriment of individuals considered to have performed insufficiently compared to individual Performance Targets to the benefit of individuals who are deemed to have overachieved compared to individual Performance Targets. Consequently, there is no automatic right to allotment of any Share Performance Amount even if the Performance Targets, in whole or in part, could be considered to have been achieved.

The maximum Share Performance Amount for an individual Participant (where appropriate after a recalculation from local currency to SEK at the exchange rate on 31 December 2019) is normally limited to 1.6 months' salary for an individual Participant employed in Estonia and Latvia, 1.28 months' salary for an individual Participant employed in Lithuania and 0.8 months' salary for an individual Participant employed in another country, in both cases in relation to the agreed base salary for the Performance Year (as of December 2019), unless re-allocation occurs as described in the preceding paragraph. If maximum re-allocation is made, the maximum Share Performance Amount corresponds to three times the above mentioned limitations.

The total Share Performance Amount for the Participants in Eken 2019 is limited to approximately SEK 445m.

Performance Rights

The Share Performance Amount is converted into a number of Performance Rights, rounded off to the nearest whole number, by dividing the Share Performance Amount by the average daily volume weighted price paid per share in Swedbank at Nasdaq Stockholm during the last ten trading days in the month of January 2020 (the "Translation Rate"), however, not lower than SEK 100 per share (the "Floor Price"). The Board of Directors has the right, in connection with certain corporate events, inter alia, in case of a share split or a reverse share split, to resolve on an adjustment of the Floor Price in accordance with general principles on the equity market for recalculation in such events.

² The profit, adjusted for capital costs and risks is measured as Economic Profit ("EP"). A prerequisite for allocation is a positive EP on Group level.

The total number of Performance Rights that may be allotted to the Participants amounts to a maximum of approximately 4.5m³, which equals the quotient of (a) the highest aggregate Share Performance Amount for all Participants, divided by (b) the Floor Price. If the Translation Rate hypothetically is assumed to be SEK 200, the total number of Performance Rights which may be allotted to the Participants amounts to a maximum of approximately 2.3m⁴.

A Performance Right does not constitute a security or a financial instrument and will not be registered on any VP account with any central securities depository. Participants do not have the right to pledge, sell, transfer or in any other way dispose of the Performance Rights.

A Performance Right does not carry any right to dividends or other shareholders' rights during the duration of the program. To the extent permitted in accordance with applicable regulatory requirements, dividend compensation is paid on the underlying Performance Shares during the deferral period according to the following. If and at each time the record day for receiving a cash dividend to a share as resolved by the bank occurs during the deferral period, the number of Performance Rights held by each Participant on such record day shall be adjusted by multiplying such number of Performance Rights by an adjustment factor, which shall be calculated according to the following. The adjustment factor shall be the sum of (1+K), where K is the quotient of the resolved cash dividend amount per share (expressed in SEK) divided by the average daily volume weighted price paid per share (expressed in SEK) at Nasdaq Stockholm during the ten trading days occurring from and including the first trading day prior to the relevant record day until and including the eighth trading day after the record day. For employees who have been identified as material risk takers, further restrictions may be imposed to comply with external regulatory or other requirements.

The number of Performance Rights can be recalculated in case of a bonus issue, new issue of shares, conversion of convertibles, share split or reverse share split and in certain other cases.

Each Performance Right carries a conditional right to receive at no cost and automatically one Performance Share in accordance with what is set out in the following.

Transfer of Performance Shares

Each Performance Right held by a Participant bestows a conditional right to receive in 2023 for the general participants or in 2025 for GEC, after the publication of the year-end report for 2022 or 2024, respectively, automatically and at no cost one Performance Share. The conditions for receiving a Performance Share are firstly, as a general rule, that the Participant at the delivery of the Performance Share has not given or received notice to leave or left the Group for any other reason, and secondly, the conditions stated below.

In order for a Performance Right to entitle to receive a Performance Share at no cost, the following conditions must be fulfilled at the time of delivery of the Performance Share:

³ Excluding anticipated dividend compensation and adjustment for forfeited Performance Rights.

⁴ Excluding anticipated dividend compensation and adjustment for forfeited Performance Rights.

- (i) the Performance Targets shall still be deemed to have been achieved to the same extent as at the time of the allotment,
- (ii) the results and performances which formed the basis for the allotment of the Performance Rights shall be found sustainable in a long-term perspective with regard to the financial situation of the bank, the employer and/or the Group,
- (iii) the outcome shall still appear justified with regard to the financial situation of the bank, the employer and/or the Group.
- (iv) the outcome shall still appear justified with regard to the performance of (a) the bank, the employer and/or the Group, (b) the relevant business area or function, and (c) the Participant in question,
- (v) the outcome shall appear reasonable with regard to other relevant circumstances, including the situation on the equity market and possible changes in accounting principles or other external regulatory requirements, and
- (vi) the bank's, the employer's and/or the Group's position shall not have deteriorated materially, and no apparent risk of such material deterioration shall exist.

The Board of Directors, or Remco after authorization by the Board of Directors, shall prior to and in close proximity to each transfer of Performance Shares under Performance Rights evaluate whether and to which extent the stated conditions are fulfilled on Group level and business area level. If not all the conditions are considered to be fulfilled, the Board of Directors or, Remco, has the right, at its own discretion, within the frame of Eken 2019, to unilaterally change the terms and conditions as the Board of Directors or, Remco, deems appropriate and in this context for example in whole or in part declare outstanding Performance Rights forfeited, meaning that fewer or no Performance Shares at all will be transferred to the Participant. A decision of such change shall be publicly announced no later than in connection with the bank's first financial report following the decision.

Hedging

The bank is, subject to certain conditions, committed to ensure that shares are transferred at no cost to the Participants. To the extent the bank chooses to hedge such commitment, different methods are available to the bank. For example, the commitment can be secured by using own repurchased shares, entering into agreements with financial institutions (equity swap agreements, certificates or similar) or by way of directed issues of shares. The Board of Directors has considered different arrangements for hedging the bank's commitment in relation to Eken 2019 and observes that the bank holds repurchased own shares in a number assumed to be sufficient to hedge the commitments towards the Participants.

The Board of Directors thus proposes that the AGM shall resolve to transfer own shares at no cost to entitled Participants, directly or, where applicable, indirectly through the bank's subsidiaries or to an external party engaged for this purpose, and, if the Board of Directors deems necessary, to transfer shares at Nasdaq Stockholm, in order to cover certain costs, in particular social security costs. For further information please refer to the proposal in item 21 c).

If the AGM does not approve the mentioned hedging alternative, the Board of Directors may instead hedge the bank's commitment to deliver shares according to Eken 2019, in whole or in part, by way of an agreement (equity swap agreement, certificate or similar) with a financial

institution, which according to such agreement will in its own name acquire and transfer to the Participants shares in Swedbank.

Estimated costs

In the Group's financial accounting, the total Share Performance Amount will normally be recognized as staff costs in the income statement during the accrual period which in the accounts is considered to correspond to the duration.

The total cost corresponds to the Share Performance Amount with deductions for forfeited Performance Rights due to the fact that Participants during the duration give or receive notice to leave or by any other reason leave the Group. The cost is thus adjusted for forfeited Performance Rights, i.e. for accrual conditions that are not market conditions. The cost is not adjusted for market conditions, such as the fluctuation of the real value of the Performance Rights between the time of valuation and when the Participant receives Performance Rights 2020 or as a consequence of the Participant receiving additional Performance Rights as dividend compensation. In addition, social security costs and ancillary salary costs are also treated as staff costs. Furthermore, there are corporate tax effects mainly due to that the staff costs and the social security costs etc. are deductible.

The maximum cost for the Share Performance Amount amounts to approximately SEK 445m, which corresponds to approximately 0.2 per cent of Swedbank's market value as of 31 January 2019. The estimated cost for the Share Performance Amount amounts to approximately SEK 275m, which corresponds to approximately 0.1 per cent of Swedbank's market value as of 31 January 2019.

The maximum annual cost in the income statement is expected to be approximately SEK 105m. The estimated annual cost in the income statement amounts to approximately SEK 65m.

The social security costs, which are deductible, are recognized in the income statement. The costs are depending on the market value of the Performance Shares at the time of delivery in 2023 for the general participants or in 2025 for GEC. The corporate tax is normally affected by the market value of the Performance Shares at said point in time, since the market value as a rule is deductible when calculating the corporate tax. The corporate tax effect which corresponds to each respective country's corporate tax rate – calculated on the recognized cost for the Performance Rights, associated social security costs and other ancillary salary costs – is recognized in the income statement. Additional corporate tax effects are recognized directly in equity. The calculations take into account differences in tax rules in various countries.

Dilution and effect on key ratios

The total number of Performance Rights which may be allotted to the Participants amounts to a maximum of approximately 4.4m⁵. If the Translation Rate hypothetically is assumed to be SEK 200 the total number of Performance Rights which may be allotted to the Participants amounts to a maximum of approximately 2.2m.

⁵ Excluding anticipated dividend compensation and adjustment for forfeited Performance Rights.

The bank's maximum commitment⁶, if hedged by way of a transfer of own shares, results in a total dilution of not more than approximately 0.4 per cent in relation to the outstanding number of shares and votes as of 31 December 2018.

The dilution is expected to have a marginal impact on the Group's key ratios, also when considering IP 2019 (according to the proposal under Item 21 b)).

If the bank's commitment is hedged by way of an agreement (equity swap agreement, certificate or similar) with a financial institution, which according to such agreement will in its own name acquire and transfer to the Participants shares in Swedbank, Eken 2019 will not have any dilutive effect, since no new outstanding shares will be added.

Taxation

Taxation of Participants

In Sweden the Participants will be taxed the income year when the Performance Shares are received (the Performance Right is for tax purposes classified as a so called employee stock option). The taxable value of the fringe benefit that arises when receiving the Performance Shares is calculated as the value of the Performance Shares upon delivery. The taxable value will be taxed for the Participants as income from employment.

For participants in other countries than Sweden the value of the fringe benefit will in some countries be taxed as income from employment and in some countries not taxed at all.

Taxation of the bank

In Sweden, the bank has full right to deduct the market value of the Performance Shares at the time of transfer to the Participants. The tax deduction follows the financial accounting, i.e., the tax deduction will be accrued over the duration. However, in connection with the transfer of the Performance Shares a final adjustment of the tax deduction (reversed deduction or additional deduction) is made by comparing the market value of the Performance Shares at the transfer with the previous tax deductions. The transfer does not result in any taxable income for the bank.

In Sweden the bank is obliged to pay social security costs for the transfer of the Performance Shares based on the market value of the Performance Shares.

In countries outside Sweden the bank normally is entitled to fully deduct for the recognized cost and is obliged to pay social security costs for the transfer of the Performance Shares based on the market value hereof. In some of the countries outside Sweden the deduction of and payment of social security costs can be treated differently depending on the tax legislation in the country in question.

Preparation of the program etc.

The proposal for Eken 2019 has been prepared by Remco. The Board of Directors' overall assessment is that Eken 2019 creates a uniform and sustainable system for variable

⁶ Excluding anticipated dividend compensation and adjustment for forfeited Performance Rights.

remuneration within the Group and will motivate to long-term creation of value by aligning the interests of the employees with the shareholders' interests.

The proposal has also been discussed with the bank's major shareholders, who generally welcome a program which aligns the shareholders' and the employees' interests and which promotes a long-term perspective.

The Group has share-based programs for 2014 (concluded), 2015, 2016, 2017 and 2018, all of them approved by the general meeting of shareholders of the bank.

The common program from last year has been evaluated. As a result of the evaluation, it is proposed that Eken 2019 remains unchanged in comparison to Eken 2018.

The Swedish Financial Supervisory Authority (Sw. Finansinspektionen) and the European Banking Authority issues rules, regulations, guidelines and other regulatory requirements regarding remuneration systems which comprise the bank. It may be necessary to adjust the design of Eken 2019 with regard to any amendments to such rules and regulations.

The Board of Directors, or Remco, if so decided by the Board of Directors, has the right to adjust Eken 2019 to any new or amended external regulatory requirements, or amended practice or interpretation hereof. Such adjustments may result in more stringent as well as more lenient conditions to the variable remuneration according to Eken 2019, such adjustments shall however be made in accordance with the principles for Eken 2019, as set out in this resolution. The Board of Directors, Remco, or the CEO normally via GEC Remco, if so decided by the Board of Directors, has the right to resolve on the detailed terms and conditions for Eken 2019, based on the principles for the program as they appear in this resolution.

The Board of Directors' proposal to the AGM

The resolution by the Board of Directors to establish Eken 2019 is adopted subject to the AGM's subsequent approval.

Due to the above, the Board of Directors proposes that the AGM resolves to approve the resolution of the Board of Directors to establish Eken 2019.

The AGM's resolution is valid if supported by shareholders holding more than half of the votes cast.

If the AGM does not approve the Board of Directors' resolution, the Board of Directors may instead resolve on a common program for variable remuneration with cash remuneration only, from which, where appropriate and considering IP 2019 (see 21 b)), categories of Participants that according to regulatory requirements may not be comprised by a purely cash based remuneration program may be excluded. Such a decision could result in that Eken 2019 will become a purely cash based program with a certain part as deferred cash remuneration.

Stockholm in February 2019

Swedbank AB (publ)
The Board of Directors

TRANSLATION

Proposal of the Board of Directors of Swedbank AB on approval of the resolution of the Board of Directors of Swedbank regarding deferred variable remuneration in the form of shares under the individual program 2019 (“IP 2019”) in accordance with item 21 b) in the proposed agenda at the AGM 2019

The Board of Directors of Swedbank has resolved on an individual performance and share based remuneration program for 2019, a part of which is intended to be allotted in the form of shares and the remaining part in cash (“IP 2019”). The part of the resolution regarding variable remuneration in the form of shares has been adopted subject to the AGM’s subsequent approval, according to the following.

Purpose and main features

IP 2019 aims to:

- stimulate the employees in positions of direct importance for creating long-term and sustainable shareholder value to make further efforts,
- attract, keep and motivate the employees and to ensure that the bank’s remuneration levels are competitive in every submarket, and
- create a long-term engagement in the bank with the employees and align their interests with the shareholders’ interest through deferred variable remuneration in the form of shares.

IP 2019 shall be aligned to the bank’s business strategy, promote a sound and effective risk management and discourage excessive risk taking.

In essence, IP 2019 means that to the extent certain performance targets (“Performance Targets”) are achieved during the financial year 2019 (the “Performance Year”) the participants in IP 2019 (the “Participant” or the “Participants”) are allotted a variable remuneration in the beginning of 2020 (the “Gross Performance Amount”), a part of which (the “Share Performance Amount”) is intended to be allotted in the form of conditional, non-transferable rights (“Performance Rights”). Each Performance Right carries a right to, at the end of a retention period, ultimately receive; automatically and at no cost, one share in Swedbank (“Performance Share”). One part of the Performance Shares will be received during the first half-year of 2021 and one part will be deferred and therefore will be received in 2024, in both cases after the publication of the year-end reports. Certain restrictions on disposal apply in order to comply with external regulatory requirements.

The deferred portion of the Performance Rights deferral period is divided into a qualification period of approximately three years beginning after the allotment of the Gross Performance Amount and a retention period of approximately one year following the qualification period.

Variable remuneration in the form of shares is not pensionable income. However, the cash component might be pensionable according to local pension agreements.

When amounts in SEK are described in this proposal, they are expressed exclusive of social security costs, ancillary salary costs and corporate income tax, unless otherwise stated.

Participants

Approximately 540 employees in the Swedbank-Group (the "Group") are included in positions where the individual performance is deemed to be of direct importance for creating revenues and where variable remunerations are assumed to encourage the performance.

Top executives are as a general rule not included. Units that are excluded are amongst others Swedbank Robur Fonder and the joint venture company Entercard, Ölands Bank and PayEx. Staff working with any of these units may be included.

Participants that during the qualification period give or receive notice to leave or leave the Group, or is leaving the Group due to any other reason will not, as a general rule, have the right to continue to participate. However, these restrictions are removed when the retention period starts. Participants who enter leave of absence, parental leave, sick leave or similar during the Performance Year and remain employed have the right to continue to participate, subject to individual adjustments of the terms and conditions. Participants who have received allotment of the Gross Performance Amount and, thereafter, enter leave of absence, parental leave, sick leave or similar and remain employed or retire, have the right to continue to participate. Remco or the CEO (normally via the Group Executive Committee's Remuneration Committee ("GEC Remco"), if Remco so decides), may deviate from the distinctions above, both as general principles or in individual cases.

Any participation requires that such participation, in the bank's opinion, is permitted and appropriate with regard to applicable laws and regulations and that the bank deems it feasible at reasonable administrative and financial costs, where appropriate with local adjustments.

Performance targets and Gross Performance Amount

The allotment of the Gross Performance Amount, i.e. the outcome for each Participant is dependent on the extent to which the Performance Targets have been achieved. The Performance Targets are measured during the Performance Year and are, for the majority of the Participants, adopted based on the following evaluation levels:

- the profit after tax, adjusted for capital costs and risks, for the Group¹,

¹ The profit, adjusted for capital costs and risks is measured as Economic Profit ("EP"). A prerequisite for allocation is positive EP on Group level as well as on business area level.

- the profit after tax, adjusted for capital costs and risks, for the respective business area and whether this has been achieved in accordance with a sound risk attitude,
- the risk adjusted results on an individual level and team level based on assessing, inter alia, the fulfillment of individual Performance Targets under the bank's performance development process comprising both financial as well as operational factors. The evaluation also comprises a number of behaviors linked to the Group's values – open, simple and caring,
- risk evaluation, which is made on Group- and/or business area level and/or individual level.

The final assessment of the extent to which the Performance Targets have been achieved is made on a discretionary basis by the Board of Directors, or by a person authorized by the Board of Directors. The result of the assessment can be that the total allotment is limited, in whole or in part, at Group level, and/or business area level and/or individual level (so called haircut). Consequently, there is no automatic right to allotment of any Gross Performance Amount even if the Performance Targets, in whole or in part, could be considered to have been achieved.

The maximum Gross Performance Amount is individually predetermined for each Participant and is dependent on, inter alia, business area or function, the Participant's individual position and/or areas of responsibility. The maximum Gross Performance Amount for all staff categories across the Group cannot exceed the variable pay cap as decided by applicable laws or other regulations. For employees who have been identified as material risk takers, the Gross Performance Amount shall not exceed 100 per cent of the yearly fixed remuneration for each individual.

Share Performance Amount etc.

For each Participant, who is defined as a Material Risk Taker, the Gross Performance Amount is as a main rule divided into an upfront allotment (normally 60 per cent) and deferred allotment (normally 40 per cent). Both the upfront and deferred allotments are thereafter equally divided in cash (50 per cent) and a Share Performance Amount (50 per cent). The Share Performance Amount is allotted in Performance Rights. For non-Material Risk Takers, the Gross Performance Amount is normally fully paid out in cash.

The total Share Performance Amount for all Participants in IP 2019 is limited to a maximum of approximately SEK 225m.

The upfront cash portion is intended to be paid to the respective Participants during the first half-year of 2020 and the deferred cash portion in 2023, after the publication of the year-end report for 2022.

Performance Rights

The Share Performance Amount is converted into a number of Performance Rights, rounded off to the nearest whole number, by dividing the Share Performance Amount by the average daily volume weighted price paid per share in Swedbank at Nasdaq Stockholm during the last ten trading days in January 2020 (the "Translation Rate"), however, not lower than SEK 100 per share (the "Floor Price"). The Board of Directors has the right, in connection with certain corporate events, inter alia, in case of a share split or a reverse share split, to resolve on an adjustment of the Floor Price in accordance with general principles on the equity market for recalculation in such events.

The total number of Performance Rights that may be allotted to the Participants amounts to a maximum of approximately 2.3m², which equals the quotient of (a) the highest aggregate Share Performance Amount for all Participants, divided by (b) the Floor Price. If the Translation Rate hypothetically is assumed to be SEK 200 the total number of Performance Rights which may be allotted to the Participants amounts to a maximum of approximately 1.1m³.

A Performance Right does not constitute a security or a financial instrument and will not be registered on any VP account with any central securities depository. Participants do not have the right to pledge, sell, transfer or in any other way dispose of the Performance Rights.

The deferred portion of the Performance Rights will be subject to a four year deferral period comprised of a three year qualification period with a following retention period of one year. The upfront Performance Rights are subject to a one year retention period.

A Performance Right does not, during the qualification period, carry any right to dividends or other shareholders' rights. During the retention period dividends may be paid to the extent permitted in accordance with applicable regulatory requirements. If and at each time a record day for receiving a cash dividend to a share as resolved by the bank occurs during the retention period, the number of Performance Rights held by each Participant on such record day shall be adjusted by multiplying such number of Performance Rights by an adjustment factor, which shall be calculated according to the following. The adjustment factor shall be the sum of (1+K), where K is the quotient of the resolved cash dividend amount per share (expressed in SEK) divided by the average daily volume weighted price paid per share (expressed in SEK) at Nasdaq Stockholm during the ten trading days occurring from and including the first trading day prior to the relevant record day until and including the eighth trading day after the record day. For employees who have been identified as material risk takers, further restrictions may be imposed to comply with external regulatory or other requirements.

The number of Performance Rights can be recalculated in case of a bonus issue, new issue of shares, conversion of convertible instruments, share split or reverse share split and in certain other cases.

Each Performance Right carries a conditional right to receive at no cost and automatically one Performance Share in accordance with what is set out in the following.

Performance Shares

Each Performance Right held by a Participant bestows upon the Participant a conditional right to receive automatically and at no cost, one Performance Share at the end of the Performance Rights retention period. The upfront Performance Shares will be received during the first half-year of 2021 and the deferred Performance Shares will be received in 2024 after the publication of the year-end report for 2023. The conditions for receiving a Performance Share are firstly, as a general rule, that the Participant during the deferral period's qualification period has not given or received notice to leave or left the Group for any other reason, and secondly, the following conditions.

² Excluding anticipated dividend compensation and adjustment for forfeited Performance Rights.

³ Excluding anticipated dividend compensation and adjustment for forfeited Performance Rights.

In order for a Performance Right to entitle to receive a Performance Share at no cost, the following conditions must be fulfilled during the qualification period:

- (i) the Performance Targets shall still be deemed to have been achieved to the same extent as at the time of the allotment,
- (ii) the results and performances which formed the basis for the allotment of the Performance Rights shall be found sustainable in a long-term perspective with regard to the financial situation of the bank, the employer and/or the Group,
- (iii) the outcome shall still appear justified with regard to the financial situation of the bank, the employer and/or the Group,
- (iv) the outcome shall still appear justified with regard to the performance of (a) the bank, the employer and/or the Group, (b) the relevant business area or function, and (c) the Participant in question,
- (v) the outcome shall appear reasonable with regard to other relevant circumstances, including the situation on the equity market and possible changes in accounting principles and regulatory requirements, and
- (vi) the bank's, the employer's and the Group's position shall not have deteriorated materially, and no apparent risk of such material deterioration shall exist.

The Board of Directors, or Remco after authorization by the Board of Directors, shall prior to and in close proximity to each transfer of Performance Shares by reason of Performance Rights evaluate whether and to which extent the foregoing conditions are fulfilled on Group level and business area level. If not all the conditions are considered to be fulfilled at such time, the Board of Directors or, Remco, has the right, at its own discretion, to unilaterally change the terms and conditions within the framework of IP 2019 as the Board of Directors or, Remco, deems appropriate and in this context for example in whole or in part declare outstanding Performance Rights forfeited, meaning that a fewer number or no Performance Shares at all will be transferred to the Participant. A decision of such change shall be publicly announced no later than in connection with the bank's first financial report following the decision.

Hedging

Swedbank is, subject to certain conditions, committed to ensure that shares are transferred at no cost to the Participants. To the extent the bank chooses to hedge such commitment, different methods are available to the bank. For example, the commitment can be secured by using own repurchased shares, entering into agreements with financial institutions (equity swap agreements, certificates or similar) or by way of directed issues of shares. The Board of Directors has considered different arrangements for hedging the bank's commitment in relation to IP 2019 and observes that the bank holds repurchased own shares in a number assumed to be sufficient to hedge the commitments towards the Participants.

The Board of Directors thus proposes that the AGM shall resolve to transfer own shares at no cost to entitled Participants, directly or, where applicable, indirectly through the bank's subsidiaries or to an external party engaged for this purpose, and, if the Board of Directors deems necessary, to transfer shares at Nasdaq Stockholm, in order to cover certain costs, in particular social security costs. For further information please refer to the proposal in item 21 c).

If the AGM does not approve the mentioned hedging alternative, the Board of Directors may instead hedge the bank's commitment to deliver shares according to IP 2019, in whole or in part, by way of an agreement (equity swap agreement, certificate or similar) with a financial institution engaged for this particular purpose, which according to such agreement will in its own name acquire and transfer to the Participants shares in Swedbank.

Estimated costs for the share part

In the Group's financial accounting, the total Share Performance Amount will normally be recognized as staff costs in the income statement during the accrual period which in the accounts is considered to correspond to the duration.

The total cost corresponds to the Share Performance Amount with deductions for forfeited Performance Rights due to the fact that Participants during the duration give or receive notice to leave or by any other reasons leave the employment. The cost is thus adjusted for forfeited Performance Rights, i.e. for accrual conditions that are not market conditions. The cost is not adjusted for market conditions, such as the fluctuation of the real value of the Performance Rights between the time of valuation and when the Participant receives Performance Rights 2020 or as a consequence of the Participant receiving additional Performance Rights as dividend compensation. In addition, social security costs and ancillary salary costs are also treated as staff costs. Furthermore, there are corporate tax effects mainly due to that the staff costs and the social security costs etc. are deductible.

The maximum costs for the Share Performance Amount amounts to approximately SEK 225m, which corresponds to approximately 0.1 per cent of the bank's market value as of 31 January 2019. The estimated cost for the Share Performance Amount amounts to approximately SEK 95m⁴, which corresponds to approximately 0.04 per cent of the market value as of 31 January 2019.

The maximum annual cost in the income statement is expected to be approximately SEK 55m. The estimated annual cost in the income statement amounts to approximately SEK 23m.

The social security costs, which are deductible, are recognized in the income statement. The costs are depending on the market value of the Performance Shares at the time of delivery 2021 and 2024. The corporate tax is normally affected by the market value of the Performance Shares at said point in time, since the market value as a rule is deductible when calculating the corporate tax. The corporate tax effect which corresponds to each respective country's corporate tax rate – calculated on the recognized cost for the Performance Rights, associated social security costs and other ancillary salary costs – is recognized in the income statement. Additional corporate tax effects are recognized directly in equity. The calculations take into account differences in tax rules in various countries.

⁴ Estimated cost constitutes a preliminary amount.

Dilution and effect on key ratios

The total number of Performance Rights which may be allotted to the Participants amounts to a maximum of approximately 2.3m⁵. If the Translation Rate hypothetically is assumed to be SEK 200 the total number of Performance Rights which may be allotted to the Participants amounts to a maximum of approximately 1.1m.

The bank's maximum commitment⁶, if hedged by way of a transfer of own shares, results in a total dilution of not more than approximately 0.2 per cent in relation to the outstanding number of shares and votes as of 31 December 2018.

The dilution is expected to have a marginal impact on the Group's key ratios, also when considering Eken 2019 (according to Item 21 a)).

If Swedbank's commitment is hedged by way of an agreement (equity swap agreement, certificate or similar) with a financial institution, which according to such agreement will in its own name acquire and transfer to the Participants shares in Swedbank, IP 2019 will not have any dilutive effect, since no new outstanding shares will be added.

Taxation

Taxation of Participants

In Sweden the Participants will be taxed the income year when the Performance Shares are received (the Performance Right is for tax purposes classified as a so called employee stock option). The taxable value of the fringe benefit that arises when receiving the Performance Shares is calculated as the value of the Performance Shares upon delivery. The taxable value will be taxed for the Participants as income from employment.

For participants in other countries than Sweden the value of the fringe benefit will in some countries be taxed as income from employment and in some countries not taxed at all.

Taxation of the bank

In Sweden, Swedbank has full right to deduct the market value of the Performance Shares at the time of transfer to the Participants. The tax deduction follows the financial accounting, i.e., the tax deduction will be accrued over the duration. However, in connection with the transfer of the Performance Shares a final adjustment of the tax deduction (reversed deduction or additional deduction) is made by comparing the market value of the Performance Shares at the transfer with the previous tax deductions. The transfer does not result in any taxable income for Swedbank.

In Sweden the bank is obliged to pay social security costs for the transfer of the Performance Shares based on the market value of the Performance Shares.

In countries outside Sweden the bank normally is entitled to fully deduct for the recognized cost and is obliged to pay social security costs for the transfer of the Performance Shares based on the market value hereof. In some of the countries outside Sweden the deduction of and payment of

⁵ Excluding anticipated dividend compensation and adjustment for forfeited Performance Rights.

⁶ Excluding anticipated dividend compensation and adjustment for forfeited Performance Rights.

social security costs can be treated differently depending on the tax legislation in the country in question.

Preparation of the program etc.

The proposal for IP 2019 has been prepared by Remco. The Board of Directors' overall assessment is that IP 2019 will motivate the employees eligible to further efforts which will result in long-term creation of value by aligning the interests of the employees with the shareholders' interests.

The proposal has also been discussed with the bank's major shareholders, who generally welcome a program which aligns the shareholders' and the employees' interests and which promotes a long-term perspective.

The Group has share-based programs for 2014 (concluded), 2015, 2016 2017 and 2018, all of them approved by the general meeting of shareholders of the bank.

The individual program from the previous year has been evaluated. As a result of the evaluation, it is proposed that IP 2019 in large parts remain unchanged in comparison to IP 2018, with the exception that the deferral period for the deferred part of the variable remuneration has been extended with one year. For employees who have been identified as non-material risk takers; variable remuneration will be allotted in cash. IP will also be assessed prior to next year's AGM and the intention is that a corresponding performance and share based remuneration program, subject to possible amendments resulting from such evaluation, will be proposed for the following years.

The Swedish Financial Supervisory Authority (Sw. Finansinspektionen) and the European Banking Authority issues rules, regulations, guidelines and other regulatory requirements regarding remuneration systems which comprise the bank. It may be necessary to adjust the design of IP 2019 with regard to any amendments to such rules and regulations.

The Board of Directors, or Remco, if so decided by the Board of Directors, has the right to, if necessary, adjust IP 2019 to any new or amended regulatory requirements, or amended practice or interpretation hereof. Such adjustments may result in more stringent as well as more lenient conditions to the variable remuneration according to IP 2019, such adjustments shall however be made in accordance with the principles for IP 2019, as set out in this resolution. The Board of Directors, Remco, or the CEO normally via GEC Remco, if so decided by the Board of Directors, has the right to resolve on the detailed terms and conditions for IP 2019, based on the principles for the program as they appear in this resolution.

The Board of Directors shall have the right to resolve that the Share Performance Amount shall form a higher proportion of the Gross Performance Amount than 50 per cent and in such case resolve on how large share of the Share Performance Amount, which shall be deferred in accordance with applicable rules.

The Board of Directors' proposal to the AGM

The part of the resolution by the Board of Directors regarding IP 2019 that a part of the variable remuneration under the program shall be paid in the form of shares is adopted subject to the AGM's subsequent approval.

Due to the above, the Board of Directors proposes that the AGM resolves to approve the resolution of the Board of Directors regarding deferred variable remuneration in the form of shares under IP 2019.

The AGM's resolution is valid if supported by shareholders holding more than half of the votes cast.

If the AGM does not approve the share part of the Board of Directors' resolution, the Board of Directors may instead resolve on an individual program for variable remuneration with cash remuneration only, from which, where appropriate and considering Eken 2019 (see item 21 a) above), categories of Participants that according to external regulatory requirements may not be comprised by a purely cash based remuneration program may be excluded. Such a decision could result in an increased cash portion within the limits of the maximum Gross Performance Amount and that IP 2019 will become a purely cash based program with a certain part as deferred cash remuneration.

Stockholm in February 2019

Swedbank AB (publ)
The Board of Directors

TRANSLATION

Proposal of the Board of Directors of Swedbank AB for a resolution regarding transfer of own shares in accordance with item 21 c) in the proposed agenda at the AGM 2019

Background

As set out in the Board of Directors' resolutions regarding a common and an individual performance and share based remuneration program for 2019 ("Eken 2019" and "IP 2019", and together referred to as "Program 2019"), different methods for hedging the commitments are available to the bank. Considering that the bank holds an amount of own repurchased shares – which the Board of Directors deems sufficient to also hedge the bank's commitment in relation to Program 2019 – the Board of Directors proposes that Swedbank's commitment under

- a) Program 2019, and
- b) previous common and individual performance and share based remuneration programs within the Swedbank Group, resolved by or adopted subject to subsequent approval by a General Meeting of shareholders' of Swedbank ("Previous Programs"),

is to be secured by the transfer, with deviation from the Shareholders' rights, at no cost, of own shares held by Swedbank to entitled participants in Program 2019 and in Previous Programs.

The calculation of the number of shares that are allowed to be transferred in accordance with the proposal in d) below is based on maximum allocation of so called Performance Rights to entitled participants in Program 2019 and actual allocation of so called Performance Rights to entitled participants in Previous Programs. Further, said number of shares also comprises a buffer for the right to compensation for dividends during the deferral periods in accordance with Program 2019 and Previous Programs.

Transfer of own shares

The Board of Directors proposes that the AGM resolves that:

- a) Own shares held or repurchased by Swedbank by virtue of authorization to repurchase own shares, may, with deviation from the shareholders' preferential rights, at no cost be transferred to:
 - i. entitled participants in Program 2019 ("Participants"),
 - ii. entitled participants in Previous Programs, and
 - iii. subsidiaries within the Swedbank Group and, where applicable, an external party engaged by the Board of Directors for this purpose, where such subsidiaries and if applicable such external party shall be obliged to immediately and at no cost transfer shares to the Participants and where appropriate also to entitled participants in Previous Programs;

- b) furthermore, own shares may be transferred at Nasdaq Stockholm for the purpose of covering certain costs in connection with Program 2019 or Previous Programs, in particular social security costs and other ancillary salary costs. Such transfer shall be made at a price within the prevailing spread for the share at Nasdaq Stockholm and be carried out prior to the Annual General Meeting 2020;
- c) transfer of shares according to a) above shall be made at no cost to Participants and entitled participants in Previous Programs and in accordance with the conditions on which Participants and entitled participants in Previous Programs are entitled to receive shares, during first half-year of 2020 and after the publication of the year-end report for the financial year 2022 (or 2024 for GEC) or the equivalent point in time regarding Previous Programs, however, not later than the end of June during the year in question when the delivery of the Performance Share shall occur;
- d) transfer of shares according to a) and b) above may not relate to more than 15,000,000 shares in aggregate (or such higher number of shares which may be a result of a bonus issue, share split or corresponding corporate events)

The reason for the deviation from the shareholders' preferential right is to ensure delivery of shares to the Participants and entitled participants in Previous Programs and to cover certain costs in connection with Program 2019 or Previous Programs, in particular social security costs and other ancillary salary costs.

Transfer of the maximum amount of shares (15,000,000) would result in a total dilution of approximately 1.3 per cent in relation to the outstanding number of shares and votes as of 31 December 2018.

The resolution on transfer of shares as per above replaces previous General Meeting's resolutions on transfer at no cost of own repurchased shares to Participants, entitled participants in Previous Programs and entitled participants in any subsequent programs if and to the extent such resolutions have not already been executed.

For the resolution as stated above to be valid it is required that the resolution is supported by shareholders holding not less than nine-tenths of both the votes cast and the shares represented at the AGM.

The Board of Directors' proposal as per above is conditional upon the resolution of the Board of Directors regarding Eken 2019 and/or variable remuneration in the form of shares under IP 2019 having been approved by the AGM.

If the AGM does not approve the proposal as per above, the Board of Directors may, instead hedge the bank's commitment to deliver shares, in whole or in part, for Program 2019 by way of an agreement (equity swap agreement, certificate or similar) with a financial institution, which according to such agreement will in its own name acquire and transfer to the Participants shares in Swedbank.

Stockholm in February 2019

Swedbank AB (publ)
The Board of Directors

The Board of Directors' of Swedbank AB proposal for a resolution on amendments to the Articles of Association in accordance with item 22 of the proposed Agenda for the AGM 2019

Background

In § 4 in the Bank's Articles of Association, the bank refers to the Financial Instruments Accounts Act (1998:1479). The act has changed name to the Central Securities Depositories and Financial Instruments Accounts Act (1998:1479). Due to the change the reference to the act should be adjusted.

According to the Bank's Articles of Association, the Board of Directors shall normally meet once a month (section 2 in § 7).

According to the Swedish Companies Act (Chapter 8, § 18), the Chairman of the Board shall ensure that meetings are held when necessary. In addition, the board shall always be convened if a board member or the managing director so requests.

In light of the provision in the Swedish Companies Act and in order to increase the Board's flexibility as regards the number of Board meetings, the Board proposes that section 2 in § 7 of the Bank's Articles of Association is removed. It is noted that Swedbank is the only major Swedish bank that has regulated the number of Board meetings in the Articles of Association.

Proposal

The Board of Directors proposes that the reference to the Financial Instruments Account Act (1998:1479) in § 4 is adjusted to the Central Securities Depositories and Financial Instruments Accounts Act (1998:1479)

Furthermore, the Board of Directors proposes that section 2 in § 7 in the Articles of Association is removed.

The Articles of Association with the proposed new wording is attached in [Annex 1](#).

Proposed new wording of § 4 and §7 of the Articles of Association:

§ 4

Record day provision

The Bank's shares shall be registered in a register in accordance with the Central Securities Depositories and Financial Instruments Accounts Act (1998:1479).

§ 7

Quorum, etc

With regard to the Board forming a quorum and the majority requirements for Board decisions, the relevant provisions of the Companies Act (2005:551) shall apply.

The Board is entitled to authorise a member of the Board or another person to represent the Bank and sign for the Bank in accordance with the relevant provisions of the Companies Act (2005:551) and the relevant provisions of the Banking and Financing Business Act (2004:297).

Majority requirement

For a decision in accordance with the Board's proposal, it is required that the resolution of the Annual General Meeting is supported by shareholders representing at least two-thirds both of the votes cast and of the shares represented at the Meeting.

Stockholm in February 2019

Swedbank AB (publ)
The Board of Directors

ARTICLES OF ASSOCIATION

for

SWEDBANK AB (publ)

§ 1

Name and object

The name of the Bank is Swedbank AB. The company is a public company.

The object of the Bank, which was originally formed by Swedish savings banks, is to conduct banking business and financing operations, and operations naturally connected therewith.

§ 2

Operations

The Bank will conduct such banking operations as are intended in the Banking and Financing Business Act (2004:297). This Act states that by banking operations is meant operations including

1. payment services via the general clearing systems, and
2. receipt of funds which, following notice of termination, are available to the creditor within not more than 30 days.

General clearing systems means systems for the forwarding of payments from a large number of payers, who are not associated with each other, which are otherwise intended to reach a large number of ultimate payees who are not associated with each other.

The Bank may also – in its operations – conduct financing operations naturally connected therewith, in accordance with the Banking and Financing Business Act, among other things

1. borrow funds, for example by accepting deposits from the general public, or by issuing bonds or other comparable debt instruments,
2. grant and broker loans, for example in the form of consumer credit and loans secured by charges over real property or claims,
3. participate in financing, for example by acquiring claims and leasing property,
4. negotiate payments,
5. provide means of payment,
6. issue guarantees and assume similar obligations,
7. participate in the issue of securities,
8. provide financial advice,
9. hold securities in safekeeping,
10. conduct letters of credit operations,
11. provide safety deposit services,
12. engage in currency trading,
13. engage in securities operations, and
14. provide credit information.

§ 3

Share capital, etc.

The share capital of the bank shall be not less than ten billion five hundred million Swedish kronor (SEK10,500,000,000) and not more than forty-two billion Swedish kronor (SEK42,000,000,000). The number of shares shall be not less than five hundred million (500,000,000) and not more than two billion (2,000,000,000).

The shares each entitles to one vote.

§ 4**Record day provision**

The Bank's shares shall be registered in a register in accordance with the Central Securities Depositories and Financial Instruments Accounts Act (1998:1479).

§ 5**Registered office**

The registered office of the Bank shall be in Stockholm.

§ 6**The Board of Directors**

In addition to those Directors who, by law, are appointed other than by the General Meeting, the Bank's Board of Directors shall consist of no less than seven and no more than eleven members.

§ 7**Quorum, etc**

With regard to the Board forming a quorum and the majority requirements for Board decisions, the relevant provisions of the Companies Act (2005:551) shall apply.

The Board is entitled to authorise a member of the Board or another person to represent the Bank and sign for the Bank in accordance with the relevant provisions of the Companies Act (2005:551) and the relevant provisions of the Banking and Financing Business Act (2004:297).

§ 8**Financial year**

The Bank's financial year shall be the calendar year.

§ 9

Auditors

The Bank shall have at least one and no more than two auditors and with no more than an equal number of alternates. Auditors, and alternates if appointed, shall be authorised public accountants.

Registered firms of auditors may also be appointed.

An auditor is elected at the Annual General Meeting for the period of time until the end of the Annual General Meeting which is held during the first, second, third or fourth financial year after the auditor was appointed.

§ 10

Timing of Annual General Meeting

The Annual General Meeting shall be held before the end of April unless special circumstances dictate otherwise. In no event however, shall the Annual General Meeting be held after the end of June.

§ 11

Business of the Annual General Meeting

The following business shall be considered at the Annual General Meeting:

1. election of Chairman of the Meeting,
2. drawing up and approval of voting register,
3. approval of the Agenda,
4. election of two members to scrutinise the Minutes,
5. question whether the Meeting has been properly called,
6. submission of the Board of Directors' Annual Report and Audit Report, and Consolidated Report and Consolidated Audit Report for the past financial year,
7. matter of adopting the Profit and Loss Account and Balance Sheet, and the Consolidated Profit and Loss Account and Consolidated Balance Sheet,

8. appropriations regarding the profits or losses of the Bank in accordance with the adopted Balance Sheet,
9. matter of discharging Board members and President from liability for the period covered by the report,
10. deciding the number of Board members to be appointed by the Meeting,
11. where appropriate, deciding the number of auditors and their alternates to be appointed by the Meeting,
12. deciding the remuneration for Board members, auditors and their alternates,
13. election of Board members,
14. if applicable, election of auditors and their alternates,
15. any other business required by law or the Articles of Association to be considered by the Meeting,
16. matters which are properly to be referred to the Meeting for decision.

§ 12

Right to vote at General Meetings, etc

General Meetings are to be held in Stockholm, Gothenburg, Malmö or Umeå.

General Meetings shall be opened by the Chairman of the Board or the person appointed by the Board for this purpose.

Voting at a General Meeting shall take place in accordance with voting procedures prescribed in the relevant provisions of the Companies Act (2005:551).

§ 13

Notice convening General Meetings, etc

Notices convening General Meetings shall be made by public notice in Post – och Inrikes Tidningar (the Swedish Official Gazette) and by way of the notice being made available at the bank's web site. Information that the

notice has been made shall be made public in Dagens Nyheter at the time of the notice.

Notices convening the Annual General Meeting and notice of Extraordinary General Meetings where the question of amendments to the Articles of Association will be considered, shall be issued no earlier than six weeks and no later than four weeks prior to the General Meeting. Notices convening other Extraordinary General Meetings shall be issued no earlier than six weeks and no later than three weeks prior to the General Meeting.

Shareholders wishing to participate in a General Meeting shall be entered as shareholders in a print-out or other listing of the entire share register updated five business days prior to the Meeting, and notify the Bank's Head Office no later than on the day indicated in the notice convening the General Meeting. This day shall not fall on a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve, or New Year's Eve and may not fall earlier than five business days prior to the General Meeting.

At General Meetings, shareholders are permitted to be accompanied by one or two assistants, provided that the shareholder has notified the Bank of the number of assistants in accordance with the preceding paragraph concerning notification of shareholders' attendance at General Meetings.
