

Opening statement by Ulrika Francke, Chairman of the Board, at the Extraordinary General Meeting in Swedbank AB (publ) on the 19th of June, 2019

Honoured shareholders,

A very warm welcome to today's Extraordinary General Meeting in Swedbank where new members of the Board of Directors will be elected and where some will resign, including myself. Let me therefore start with a brief recollection. After being tested for a few years in the Board of Directors of a local bank I was elected to Swedbank's Board of Directors at the Annual General Meeting in 2002. Back then, we were called Föreningsparbanken. Göran Collert was Chairman of the Board and Birgitta Johansson-Hedberg was CEO. Göran Persson was Prime Minister.

During my time on the Board, the bank has undergone a transformation from a somewhat loose-knit network of local association banks, savings banks and Hansabank branches, where many tasks were still taken care of manually and locally, to a close-knit bank built on systems and processes that are on the leading edge of technology. In 2002, the bank's operating profit was 6.8 billion Swedish kronor. Last year, the corresponding figure was 21.2 billion Swedish kronor. But not everything has been so positive. A global financial crisis was sparked by the Lehman Brothers crash in 2008. The Baltic countries were hit hard. The flows of capital came to a halt, and exports collapsed. As a major bank, we had an important role to play to help the Baltic countries get back on their feet again, at the same time as we had our hands full with the credit losses that we suffered. The decision to concentrate on our four home markets and to be a bank for the many was an important one. The crisis that the bank is now experiencing is of a different kind. Trust in the bank has been undermined. Let me give you some perspective on what has happened. Last year, within Swedbank, approximately 3.9 billion transactions were made. All of these were monitored in the search for suspect transactions. Nearly 100,000 transactions required further investigation and the bank reported approximately 5,000 transactions to the authorities in our four home markets. Sweden accounted for about half of that.

As in every major bank there is a function under the CEO for regulatory compliance which, on a regular basis, seeks support from external experts and advisors to investigate and analyse various issues. Taking on external support is, and has been, a natural part of the bank's internal work to combat money-laundering. The contribution made by Grimstad is one of many examples of information and reports that the Compliance function has gathered or ordered over the years. At this time, several investigations are underway which will, among other things, shed light on how the disclosure of information has been carried out in different parts of the bank. That also includes the Board. I neither can, nor want, to pre-empt the results of those investigations. During my time on the Board, we have always taken issues related to money-laundering very seriously. We have worked continuously with the issue and have regularly posed questions to the Management about the bank's efforts and regulatory compliance. The Audit Committee has reviewed several reports about the bank's work to combat money-laundering.

I have now been working as the bank's Acting Chairman of the Board for three months. Today, a period of intensive work for me will come to an end. The Board has initiated several actions to deal with what has happened and to rebuild trust in the bank. We have initiated a comprehensive internal investigation and have engaged the lawyer Biörn Reise as our external expert. We have focused on making sure that the bank is cooperating with and assisting the financial authorities in their investigations and have also been working intensively to address the deficiencies that have been identified. We have changed our communication and have initiated a broad-ranging effort to restore trust in the bank, well aware of the fact that this will take time. In the situation that has arisen it has been important not to lose momentum. During this period, I have spent a lot of time at the bank and I have seen that we have employees who are working, with devotion and commitment, to

restore trust in the bank among our customers. The bank has emerged in a strong out of every crisis throughout our long history. We have always had the ability to learn important lessons from what has happened. It feels as though I, despite everything, am opening this Extraordinary General Meeting in a situation where there is more stability and more optimism about the future than there was at the Annual General Meeting three months ago. Sitting on the Board of a major bank with roots that stretch back 200 years in time gives perspective. For a short time, one is given the task of managing the operations on behalf of the owners. Now, as I pass the baton on to others, I am doing so with the conviction that, after a few years, it will become clear that our fine bank has also emerged in a strong position from the money-laundering crisis of 2019. And with that I would like to declare today's Extraordinary General Meeting open.

Speech by Anders Karlsson, Acting President and CEO, at the Extraordinary General Meeting in Swedbank AB (publ) on the 19th of June, 2019

Honoured shareholders,

It has been almost three months since I last stood here before you, on the 28th of March. At that time, many of us were feeling shaken up. That same morning, our CEO had left her position and I had been asked if I could take her place. The most important issue for me was, and still is today, how to ensure that our employees focus on the right things: our customers and the business, continuing to develop the bank into the future, and handling the investigations, the internal one as well as the external ones.

The newly established Anti-Financial Crime unit has begun to be built up. It has three tasks: to drive the work with the bank's internal investigation, to further develop our methods and processes to combat money-laundering, and to ensure that the authorities get the material and information they are asking for. As you know, historical deficiencies in Swedbank's work to combat money-laundering are being investigated by the authorities in jurisdictions such as Sweden, Estonia and the United States. According to the information we have received, the Swedish and the Estonian financial supervisory authorities will conclude their investigations before the end of the year. We do not know when the other investigations are expected to be complete. Our internal investigation was set up so that the bank itself will be able to understand what has happened and take the necessary actions, but also to prepare the material that the various authorities are asking for. We will report on the status of the investigations in connection with our quarterly financial reports. The day before today, the bank published a press release about changes in the management of Swedbank Estonia. Based on the information that has emerged during the work with the internal investigation, we have decided to suspend the CEO and the CFO until further notice. We have also reached an agreement with an individual who was a member of the Council of Swedbank Estonia; according to that agreement, the individual has left the Council, and his employment at the bank has ended. The internal investigation is ongoing. The results will show what additional actions are found to be necessary. This decision shows that we are taking the situation seriously. But it does not affect the bank's strategy in any way. We will continue to be present, and strongly engaged, in the Estonian market and in Estonian society.

Let me take a moment to talk about the other two priorities: to continue to focus on our customers and the business and to continue to develop the bank. When you find yourself where we were, in somewhat of a perfect storm, it takes courage to stand tall and be brave enough to look our customers in the eye. I am proud of the way the bank's employees have handled the situation. I want you to know that all of us who work at Swedbank are doing what we can to correct what has gone wrong and to make sure that nothing similar will be made again in the future. We are working to the fullest extent possible to win back trust in the bank. This will, however, take time, and we will certainly encounter obstacles along the way. However, the financial reality behind all the dark headlines is encouraging. The bank has a strong financial position. During the first quarter, we delivered a return on equity of more than 15%, in line with our financial target, and we continued to do new business in all of our home markets. It was one of the strongest quarters in Swedbank's history. When I presented the financial report for the first quarter, I concluded that the costs for the entire 2019 would be approximately 1 billion Swedish kronor higher than what we had previously communicated. That is primarily due to short and long term actions taken in relation to money-laundering issues but also in order to develop the bank. Being forced to increase costs is obviously not something I am happy with. But the alternative would be worse: to refrain from doing what we can to correct what has gone wrong and to delay the development of the bank.

And so to the third priority: to continue to develop the bank. Last year, 1.1 billion customer interactions took place on our platforms, an increase from 300 million in five years. We are becoming better and better at using

technology to provide new services to our existing customers and to win new customers. At the same time, we are encountering tough competition from niche players, which means that we must constantly strive to become better. Much better, even. Our size and our good profitability give us the strength to make major investments, investments that will ultimately make our customers' everyday lives easier. We are creating alliances with newly established Fintech companies and are continuing to develop both old and new relationships in the financial ecosystem. The bank is opening up to new opportunities and new collaborations. At the same time, it's increasingly clear to us that most customers are asking for both digital services and the opportunity to meet us face to face. When it comes to bigger, more complicated, financial questions one wants to talk with a person, a trusted advisor. We are convinced that the combination of digital services and physical meetings is what creates solid customer experiences. That is the right way to go.

The business model which enables the bank to create value is simple. The bank delivers financial services that simplify our customers' lives. We benefit society by contributing to a sustainable financial situation for the individual customer and for society, not least through our dividend to you shareholders. The financial result is an acknowledgement of the benefit we create. In addition to those of us who are here today, the bank has more than 360,000 shareholders. Just since the beginning of this year, we have grown by 65,000. The fact that so many people want to invest in Swedbank shows our strength. So let me take the opportunity to extend my thanks to all of our shareholders for your trust in us.

Let's look at this from a greater perspective. We now have an organisation that enables us to take care of historical deficiencies in our work to combat money-laundering and at the same time wholeheartedly devote ourselves to protecting and further developing our business: securing continued development for the future. That is the reason for our bank's existence, to build a better future for the many individuals and businesses. We help people and businesses grow. That's what we successfully have been doing for almost 200 years and today we are, in terms of the number of customers, the biggest bank on all four of our home markets: Sweden, Estonia, Latvia and Lithuania. Almost 200 years ago, Sweden was one of Europe's poorest countries. The population, we were about 2.5 million people, grew slowly. Absolute rule by the King had just been abolished and Sweden was taking its first steps on the road to democracy. In that environment, the first savings banks were set up. Ordinary people got the chance to an orderly financial situation. They could save and borrow on reasonable terms. Up until today, the affluence and the welfare has grown. As part of that development, the savings banks, and later Swedbank, have played an important role. But, although we have been building a better future for 200 years, there is still plenty of work left to do. And that is what we are going to focus on.

Our society is facing major challenges, there is no doubt about that. At the same time, we are living in the best of times in one of the world's most peaceful and wealthy countries. It is fantastic to be living in a time and an environment where the opportunities are so great. In a time where Swedbank will be able to play a continued important role in handling the major societal challenges that we face. Our opportunities to do good have never been greater. That makes me both proud and happy. Thank you.

Proposed agenda

1. Opening of the Meeting and address by the Chair of the Board of Directors and the CEO
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. Determination of the number of Board members
8. a-c) Election of Board members
9. Election of the Chair of the Board of Directors
10. Matter submitted by the shareholder Thorwald Arvidsson regarding abolition of the possibility for so called voting differentiation
11. Matter submitted by the shareholder Thorwald Arvidsson regarding representation for small and medium-sized shareholders in Swedbank AB's Board of Directors and Nomination Committee
12. Matter submitted by the Swedish Shareholders' Association regarding special examination
13. Closing of the meeting