

TRANSLATION

The Board of Directors' evaluation of the application of Guidelines for Remuneration to Top Executives, as adopted by Swedbank's Annual General Meeting 2019

Regulations on which the evaluation is based

Under the Swedish Corporate Governance Code, Swedish limited companies whose shares are traded on a regulated market in Sweden are required, inter alia, to comply with certain provisions concerning remuneration to top executives.

- According to Section 9.1 of the Swedish Corporate Governance Code, the Board of Directors shall establish a remuneration committee (the "Remuneration Committee") whose main tasks are to i) prepare the Board's decisions on issues relating to principles of remuneration, remuneration and other terms of employment for the executive management, ii) monitor and evaluate ongoing and during the year completed programs for variable remuneration for the executive management, and iii) monitor and evaluate the application of guidelines for remuneration to top executives that are legally subject to approval by the Annual General Meeting ("AGM") and current structures and levels of remuneration in the company.
- According to certain transitional regulations¹ of the Swedish Corporate Governance Code Section 10.3, the Board of Directors shall, no later than three weeks before the AGM, submit a report on the results of the evaluation made pursuant to Section 9.1, items two and three, on the company's website (corporate governance section).

The Remuneration Committee of the Board of Directors – Section 9.1 item one

Under the Guidelines for Remuneration to top executives adopted by the AGM (the "Guidelines"), the Board of Directors shall, based on the preparation and recommendations of the Remuneration Committee, adopt a resolution each year on specific terms and conditions on remuneration applying for each individual top executive and adopt such other resolutions on remuneration to top executives as may be required.

Variable remuneration to top executives – Section 9.1 item two

General provisions on variable remuneration are found in the Guidelines. The top executives were during 2014–2019 covered by Swedbank's common performance and share-based remuneration programs (Eken 2014–2019) adopted by the AGM 2014–2019. The CEO and four additional top executives were not included in Eken 2019. The actual outcome for top

¹ At the AGM 2021, the Board of Directors evaluation will be replaced by a remuneration report in accordance with certain amendments to the Swedish Companies Act and the Swedish Corporate Governance Code.

executives in Eken 2019 was 0 month's salary, Eken 2018 between 0.6 and 1.2 month's salary, Eken 2017 between 0.5 and 1.0 month's salary, Eken 2016 between 0.5 and 1.0 month's salary, Eken 2015 between 0.4 and 1.2 month's salary and Eken 2014 between 0.6 and 1.5 month's salary. Under certain conditions, the amounts will be converted into shares in Swedbank during 2019-2025 with a further restriction on the right of disposal for a certain portion of the shares.

There have thus been five ongoing programs for variable remuneration for the top executives in 2019, out of which Eken 2015 is completed by delivery of shares.

Evaluation of application and current remuneration structures – Section 9.1 item three

Under the Guidelines, the Remuneration Committee shall review and evaluate the implementation of the Guidelines, programs for variable remuneration to top executives that are in progress or have been completed during the year and applicable remuneration structures and remuneration levels in the bank. The levels of remuneration to top executives shall be decided with regard to the following factors: i) degree of difficulty and complexity in the position, ii) revenue and cost responsibility, iii) performance, iv) competence and experience, and v) market conditions.

Remuneration to and other terms of employment for the bank's top executives shall be designed so that they are consistent with and promote effective risk management and counteract excessive risk-taking.

The Remuneration Committee has reviewed the application of the Guidelines, including the principles for determining remuneration levels and the principles for determining fixed remuneration and other terms and conditions of employment based on the criteria defined in the Guidelines, and has found that the Guidelines have been correctly applied. The Remuneration Committee has also evaluated remuneration levels and remuneration structures in Swedbank AB and has found that these are consistent with market conditions and appropriate from the perspective of the bank's cost structure. The Board of Directors' Remuneration Committee thus finds that the Guidelines adopted by Swedbank's AGM 2019 have been correctly applied on the remuneration to top executives.

Stockholm in February 2020

Swedbank AB (publ)
The Board of Directors