

## The Board of Directors Swedbank AB report on paid and outstanding remuneration for top executives in accordance with item 21 in the proposed agenda at the 2021 Annual General Meeting

### Introduction

The Board of Directors of Swedbank AB (“Swedbank” or the “Bank”) shall, according to Chapter 8, Sections 51–53 of the Swedish Companies Act (2005:551) (the “SCA”) establish guidelines for salary and other remuneration to the members of the Board of Directors, the Chief Executive Officer (the “CEO”) and the Deputy CEO (the “Guidelines”). According to the Swedish Corporate Governance Code, other top executives shall also be covered by the Guidelines. In Swedbank, top executives refer to the employees who are members of the Bank’s executive management (Group Executive Committee). The Guidelines shall cover all remuneration, regardless of type, which is paid to top executives, except the board fees and other remuneration decided by the Annual General Meeting in accordance with Chapter 8, Section 23 a of the SCA or such share issues and/or transfers that are subject to Chapter 16 of the SCA (the so-called LEO-law).

According to Chapter 8, Section 53a of the SCA, the Board of Directors shall prepare a report on paid and outstanding remuneration covered by the Guidelines to the members of the Board of Directors, the CEO and the Deputy CEO for each financial year (the “Remuneration Report”). Considering that Swedbank does not have a Deputy CEO and that the members of the Board of Directors do not receive any other remuneration than remuneration decided by the Annual General Meeting, the current Remuneration Report for paid and outstanding remuneration to top executives only concerns Swedbank’s CEO. In addition, according to the Swedish Corporate Governance Board’s Rules on Remuneration of the Board and Executive Management and on Incentive Programmes (the “Remuneration Rules”), the Remuneration Report shall include a general overview of all outstanding incentive programmes and any incentive programmes completed during the year.<sup>1</sup>

The Remuneration Report shall be submitted to the Annual General Meeting for approval.

Further information on remuneration to the members of the Board of Directors, the CEO and other top executives during the previous financial year, can be found in Swedbank’s Annual Report, note G13.

During the previous financial year, the Guidelines for remuneration to top executives which were adopted by the Annual General Meeting on May 28, 2020 (the “Guidelines 2020”) were applicable.

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<sup>1</sup> According to the definition in the Remuneration Rules, “incentive programs” shall mean such remuneration which is based on shares, convertible bonds or warrants issued by a listed company or other instruments related to the development of the listed company’s share price.

The financial year 2020 is summarized in the Annual Report 2020 under the section CEO statement.

### Outstanding and delivered incentive programmes during the previous financial year

Swedbank had two incentive programmes during the previous financial year. The general programme Eken 2020 comprises the majority of the employees in the Group<sup>2</sup>. 100 % of the variable remuneration is subject to deferral for three years and is settled in Swedbank shares. The deferral period for top executives is five years, followed by a one-year retention period for half of the shares. In addition, approximately 440 employees in the Group are included in the individual programme ("IP") 2020. As a general rule, top executives are not included in IP. The remuneration is share and cash based or solely cash based. For material risk takers, half of the variable remuneration is based on Swedbank shares and half is cash based. At least 40% of the variable remuneration will be deferred. The deferred portion of the performance rights deferral period is divided into a qualification period of approximately three years, and a retention period of approximately one year following the qualification period. For other IP participants, the variable remuneration is fully cash based and a deferral period is applied in certain cases.

The variable remuneration is linked to the individual performance, the Group's total result and the business area's result during the performance year and is based on relevant, predetermined and measurable criteria, which are established with the aim of increasing the Group's long-term value. Variable remuneration will primarily be based on a common riskadjusted measure of profit. Allocation of variable remuneration requires a positive economic profit (operating profit after the deduction of corporate tax and cost of capital) at business area level and Group level. Eken is primarily based on the capital cost and risk-adjusted result for the Group, where Eken 2020 has been based on the target level of 15% ROE, which in average can give an allocation of 0.5 monthly salaries as regards employees in Sweden. In Eken 2020, the target fulfilment for ROE was 11.4%, which can give an average allocation of 0.1 monthly salaries for employees in Sweden.

The individual allocation is based on the fulfilment of individual performance targets in the Group's performance development process with quantitative and qualitative targets which also include assessment of a number of behaviours linked to the Group's values – open, simple and caring. Due to the individual assessment, reallocation can take place from participants who are not considered to have performed sufficiently in relation to individual performance targets, in favour of participants who are deemed to have outperformed in relation to the individual performance targets. The individual average allocation in Eken 2020 can amount to a maximum of 0.8 monthly salaries for employees in Sweden. If maximum re-allocation is made, the maximum Share Performance Amount corresponds to three times the above-mentioned limitations.

The allocation is also based on a risk assessment, which can take place at Group and/or business area level and/or individual level. The final assessment of the extent to which the performance targets have been met, is made at the discretion of the Board of Directors, or by the person appointed by the Board of Directors. The assessment may mean that the total allocation is

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<sup>2</sup> The "Group" or the "Swedbank Group" refers to Swedbank AB and all its subsidiaries in accordance with Chapter 1, Section 11 of the SCA.

limited in whole or in part at Group level or at business area level (so-called haircut).

There have been five ongoing programmes for variable remuneration for top executives during 2020 of which Eken 2016 was closed through the delivery of shares. The terms and conditions for Eken 2016–2019 are, in all material respects, the same as for Eken 2020. Further information about the programmes for the previous years may be found in the Annual Report 2020, under note 4.2.

The CEO and four top executives are not covered by any variable remuneration.

## Total remuneration to the CEO

### Total remuneration

Remuneration to the CEO for the financial year 2020									
Name, position	1 – Fixed remuneration			2 – Variable remuneration		3 - Extraordinary items	4 – Pension, tkr	5 - Total remuneration, tkr	6 – Proportion of fixed and variable remuneration
	Base salary, tkr	Fees	Fringe benefits, tkr	One year variable	Multi-year variable				
Jens Henriksson, VD	13 000	n/a	226	n/a	n/a	n/a	3 299	16 525	n/a
	3 250*	n/a	52*	n/a	n/a	n/a	944*	4 246*	n/a

**Noter: \*related to the period of service October-December 2019**

### Remuneration from other companies in the Swedbank Group

During the previous financial year, the CEO did not receive any remuneration from other companies within the Swedbank Group.

### Total remuneration in relation to the Guidelines

The CEO's total remuneration consists mainly of fixed salary. The fixed annual salary constitutes 79% (max. 85%<sup>3</sup>) of the total annual remuneration in 2020. The fixed salary is subject to an annual review to ensure a level that reflects the position responsibilities and accountability, individual performance and market competitiveness. The fixed remuneration also consists of benefits that constitute 1% (max. 10%) of the total remuneration in 2020. These benefits are unchanged during 2020. The benefits include e.g. life insurance, health insurance and health-care insurance. The CEO is not entitled to variable remuneration. The CEO has a premium-based pension on salary components up to the cap set annually by the Board of Directors. In total, the CEO's pension corresponds to 20% (max. 25%) of the total remuneration in 2020.

### Share-based remuneration

Swedbank has currently no share-based variable remuneration that apply to the CEO.

<sup>3</sup> The Guidelines 2020 states the maximum share of each remuneration component in relation to the base salary and total remuneration. The information in each parenthesis indicates the maximum share in relation to total remuneration in accordance with the Guidelines 2020.

### Reclaim of variable remuneration

No variable remuneration has been reclaimed under an agreement during the previous financial year.<sup>4</sup>

### Deviations from the decision-making process for determination of remuneration

No deviations from the process established in the Guidelines 2020 for determining remuneration for the CEO have been made during the previous financial year.

### Deviations from the Guidelines 2020

According to the Guidelines 2020, the Board of Directors has the right to temporarily deviate from the Guidelines 2020 in whole or in part if, in a specific case, there is special cause and the deviation is necessary to meet the Bank's long-term interests, including its sustainability, or to ensure the Bank's financial viability.

No deviations from the Guidelines 2020 have been made during the previous financial year.

### Previous financial year

The following table presents remuneration to the CEO, the Bank's results and average remuneration in the Bank and the Group. In the Remuneration Report 2021, the remuneration for year 2020 will be included to report the annual change.

	Information regarding the previous financial year
<b>Remuneration to the CEO, tkr</b>	
Henriksson, Jens VD	16 525
<b>Bank's performance</b>	
Return on equity (ROE), %*	10.3 (8.9)
Earnings per share before dilution, kr	8.79 (11.51)
C/I ratio**	0.59 (0.54)
<b>Average remuneration on a full-time equivalent basis to other employees</b>	
Employees in the Bank	783 (548)

Notes: the Group info is given in parenthesis  
 \* Return on equity excl. administrative fine 14,1% (11,4%),  
 \*\*C/I ratio excl. fine 0,49 (0,45)

Stockholm i februari 2021

Swedbank AB (publ)  
 Styrelsen

<sup>4</sup> Without being a reclaim of variable remuneration and in accordance with information provided by Swedbank 23 March 2019, it should be noted that during the previous financial year, the Board of Swedbank has decided to unilaterally cancel the severance pay agreement with Swedbank's previous CEO Birgitte Bonnesen.