

Translation

The Board of Directors' of Swedbank AB proposal for a resolution on amendments to the Articles of Association in accordance with item 15 of the proposed Agenda for the Annual General Meeting on 25 March 2011

The Board of Directors proposes that section 9 "Auditors" and section 13 "Notice convening General Meetings etc." are amended to adapt the sections to the new rules in the Companies Act (2005:551) as set out in **Annex 1**.

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 2011
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).

Each share is entitled to one vote.

It shall be possible to issue two classes of shares, ordinary shares and preference shares. Ordinary shares may be issued up to a number corresponding to the highest number of shares

permitted according to these Articles of Association. Preference shares may be issued up to a maximum of three hundred million (300,000,000) preference shares.

In the event that the Bank resolves to, by a cash issue or a set-off issue, issue new shares of different classes, the holders of ordinary shares and preference shares shall have preferential rights to subscribe for new shares of the same class in relation to the number of shares already held by each holder (primary preferential right). Shares not subscribed for on the basis of primary preferential rights shall be offered for subscription to all shareholders (secondary preferential right). If the number of shares offered in this manner is insufficient for subscription based on secondary preferential rights, the shares shall be allocated among the subscribers in relation to the total number of shares in the Bank held. To the extent this is not possible as regards a certain share/certain shares, the allocation shall be done by drawing of lots.

In the event that the Bank resolves to issue new shares, by a cash issue or a set-off issue, and only one class of shares is issued, all shareholders, regardless of whether they hold ordinary shares or preference shares, shall have preferential rights to the new shares in relation to the number of shares in the Bank held.

In the event that the Bank resolves to issue new warrants or convertibles, by a cash issue or a set-off issue, the shareholders shall have preferential rights to the subscription of the new warrants as if the issue related to the shares that may be subscribed for following an exercise of the warrants or, in case of an issue of convertibles, as if the issue related to the shares that the convertibles may be converted into.

What is stipulated above shall not restrict the possibilities for resolving on a cash issue or set-off issue with deviation from the shareholders' preferential rights.

If the share capital is increased through a bonus issue, new shares of each class shall be issued in relation to the number of shares of each class previously issued. In such case, old shares of each class shall have preferential rights to new shares of the same class. What is hereby stipulated shall not restrict the possibilities for resolving, after necessary amendments of the Articles of Association, on a bonus issue of shares of a new class.

A preference share shall be converted (transformed) into an ordinary share as follows.

1. Voluntary conversion

An owner of a preference share is during the months of February and August each year, starting August 2009 (the "Conversion Periods"), entitled to request from the Board of Directors that the share is converted into an ordinary share. Request for conversion shall be made in writing on the form prescribed by the Board of Directors, and must be received by the Board of Directors not later than last day of the relevant Conversion Period. Request for conversion may only be made in relation to the owners' entire holding of preference shares. The Board of Directors is obliged to resolve, during the month immediately following each Conversion Period, on conversion of the preference shares held by shareholders that have requested conversion during the relevant Conversion Period.

2. Mandatory conversion

The Board of Directors is obliged to, during the calendar month immediately following the month in which the Annual General Meeting 2013 is held, however, if applicable, not earlier than the day after the record day for the right to receive dividends resolved at such Annual General Meeting, resolve to convert all preference shares into ordinary shares. At such time, the Board of Directors shall also establish and announce the record day for conversion. Conversion resolved by the Board of Directors in accordance with items 1 and 2 above shall immediately be submitted for registration with the Swedish Companies Registration Office (*Sw. Bolagsverket*). The conversion is executed when registration has been made and the conversion has been noted in the CSD register (*Sw. Avstämningsregistret*).

§ 4

Record day provision

The Bank's shares shall be registered in a register in accordance with the 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 of Directors shall, as a rule, meet once a month.

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 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 ~~and other messages to the shareholders~~ 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 ~~two~~ three weeks prior to the General Meeting.

~~In the situations listed in the Swedish Companies Act (2005:551) a written notice shall be sent to each shareholders whose address is known by the bank.~~ 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 ~~3 p.m.~~ 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.

§ 14

Right to dividends, etc

Upon a resolution on payment of dividends by a General Meeting, the dividends shall be distributed in accordance with the following:

Articles of Association according to the proposal from the Board of Directors of Swedbank in February 2011

1. Firstly, each preference share shall receive up to an amount of Swedish kronor two point forty (SEK 2.40) per preference share as regards dividends resolved in 2009 and up to an amount of Swedish kronor four point eighty (SEK 4.80) per preference share as regards dividends resolved in each of the years 2010, 2011, 2012 and 2013.
2. Secondly, to the extent that distributable funds remain after distribution in accordance with item 1 above under the resolution of the General Meeting, each ordinary share shall receive up to the same amount as the preference share in accordance with item 1 above as regards dividends resolved in each of the years 2009, 2010, 2011, 2012 and 2013.
3. Thirdly, to the extent that distributable funds remain after distribution in accordance with items 1 and 2 above under the resolution of the General Meeting, these funds shall, with regard to dividends resolved in 2009, be paid only to ordinary shares and with regard to dividends resolved in each of the years 2010, 2011, 2012 and 2013 be distributed equally to all shares regardless of class. Thus, holders of preference shares shall not have any right to receive dividends resolved in 2009 under this item 3, but only according to item 1 above.

If, during any year dividends are not paid to a preference share or an ordinary share as prescribed under items 1 and 2 above, such share shall not have any right to recover in any subsequent year what has not been paid.

If the Bank shall be dissolved through liquidation, the preference shares, and the ordinary shares shall have right to the assets in the Bank in accordance with the following:

- A. Firstly, each preference share shall receive up to an amount of Swedish kronor forty-eight (SEK 48) per preference share together with an annual interest on such amount of ten (10) per cent to be calculated daily from the day of the preceding Annual General Meeting up to and including the day of distribution.
- B. Secondly, to the extent that distributable funds remain after distribution in accordance with item A above, each ordinary share shall receive up to the same amount together with interest as the preference share in accordance with item A above.
- C. Thirdly, to the extent that distributable funds remain after distribution in accordance with items A and B above, these funds shall be distributed equally to all shares regardless of class.

If the number of issued preference shares or ordinary shares is changed by a resolution on a bonus issue or a resolution on split or consolidation of shares, the amount that the preference shares and the ordinary shares, respectively, are entitled to according to this § 14 shall be adjusted accordingly.

Translation

Proposal of the Board of Directors of Swedbank AB on guidelines for remuneration to top executives in accordance with item 16 of the proposed Agenda for the Annual General Meeting on 25 March 2011

This proposal has been prepared by the Board of Directors of Swedbank AB after preparation by the Board's Remuneration Committee. The Board of Directors proposes that the Annual General Meeting resolves on the following guidelines for remuneration for top executives:

Guidelines for remuneration to top executives in Swedbank

These guidelines for decisions regarding salary and other remuneration to Swedbank's top executives have been adopted by the bank's Annual General Meeting 2011.

1. Purpose and basic principles

These guidelines constitute a frame for which remuneration to top executives that 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 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 executives to achieve set individual goals;
- be competitive and in line with market conditions and
- be decided regardless of gender, ethnicity, religion or other faith, functional impairment, sexual orientation or age.

2. Decision procedures

The Remuneration Committee of the Board shall review and evaluate the implementation of the guidelines, programmes 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 Annual General Meeting 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 shall each year prepare the Board of Director's proposal on guidelines. Based upon the Remuneration Committee's recommendation the Board of Directors shall each year make a proposal on guidelines to be resolved by the Annual General Meeting. The proposal may comprise new guidelines or imply that

the previous year's guidelines is proposed to continue to apply. The Annual General Meeting shall resolve on the proposal.

The guidelines shall be applied in relation to every commitment on remuneration to top executives, and every change of such a commitment, which is resolved after the Annual General Meeting at which the guidelines were adopted. Thus, they have no impact on already pre-existing contractually binding commitments of the bank. The guidelines shall apply until the next Annual General Meeting. 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 the Remuneration Committee's preparation and recommendations, annually decide on the specific 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 compensation is paid out by the bank in accordance with agreements entered into. Payout of variable compensation to top executives under any incentive programme shall be decided upon by the Board of Directors with respect to each specific programme.

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 Annual General Meeting.

3. Top executives

In this context top executives refer to the CEO of Swedbank and the executives who at each time report to the CEO and who also are members of the Group Executive Committee.

4. Principles for decisions on remuneration levels

The levels of the remuneration to top executives shall be decided in accordance with an established, structured benchmark process as support for comparison and decisions on levels, taking into consideration the following factors:

- Performance
- Income and cost responsibility
- Degree of difficulty and complexity of the position
- Competence
- Experience

5. Principles for decisions on fixed compensation and variable compensation The remuneration to the top executives can consist of the following components: fixed compensation in the form of base salary, benefits and pension and variable compensation in the form of incentive programmes. The Board of Directors shall see to it that there is an appropriate balance between fixed and variable components.

Possible limitations concerning the remuneration terms for top executives according to the Swedish Financial Supervisory Authority's regulations, applicable at each time, or according to commitments of the bank against any state or authority under guarantee agreements or similar shall be observed.

When determining the various components the following principles shall apply:

5.1 Fixed compensation

Base salary: Each top executive shall receive a base 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 executive is permanently resident. Pension benefits for top executives may be defined benefit according to collective agreements or defined contribution and are vested once they have accrued. For top executives employed after 2006, the pensionable income shall have a cap.

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 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 can be paid during 6–12 months. Fixed salary during notice period and severance pay shall taken together not exceed a sum corresponding to two years of fixed salary.

For further details on fixed compensation, see note 14 to the bank's annual report for the most recent financial year.

5.2 Variable compensation

Variable compensation in the form of incentive programmes shall be linked to relevant, predetermined and measurable criteria, designed with the purpose of supporting the bank's long-term value creation with well balanced risk behaviour. The criteria can be of different types, e.g. individual, general, qualitative or quantitative, including own economic individual contribution for instance in connection with participation in a share saving programme. Measurable means that it shall be possible to assess afterwards to which degree the criteria have been met. Variable compensation may be paid in cash, shares, participation rights or instruments linked to the shares in Swedbank or other instruments.

For variable compensation that is paid in cash, limits for the maximum outcome shall be set for each individual top executive. The Board of Directors shall also consider conditions that give the bank the possibility to reclaim such remuneration, to the extent it has been paid out on basis of information which later is found to be manifestly wrong.

To make room for risk adjustment of variable remuneration, payment of such compensation shall to the extent required under the regulations of the Swedish Financial Supervisory Authority 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. If the conditions for payment are not satisfied the deferred remuneration shall be reduced wholly or partially.

Each incentive programme shall be resolved by the General Meeting, the resolution of which shall comprise the material terms and conditions of the programme.

Top executives were not subject to any incentive programme for 2010. The Board of Directors has, subject to the approval of the Annual General Meeting 2011, resolved to establish performance and share based remuneration programmes for 2011, which collective part will include top executives.

6. Total remuneration cost

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

7. Remuneration previously resolved but not due

Information of the pension undertakings of the bank are set out in note 14 to the bank's annual report for the most recent financial year.

Stockholm in February 2011
Swedbank AB (publ)

The Board of Directors

Translation

Proposal of the Board of Directors of Swedbank AB on the right to acquire the Bank's own shares pursuant to the Securities Market Act in accordance with item 17 of the proposed Agenda for the Annual General Meeting on 25 March 2011

Purpose, etc.

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

Chapter 7 Sections 6 and 14 of the 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 five 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.

Conditions for acquisition of the Bank's own shares, etc.

As has previously been the case, Swedbank has a need to acquire its own shares within the framework of its securities operation 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, with Nasdaq OMX 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.

Against this background, the Annual General Meeting in 2010 decided to permit the Bank, for the period up until the Annual General Meeting in 2011, to purchase its own shares on a current basis within the securities operations in accordance with Chapter 7 Section 6 of the Securities Markets Act, without limitation on the manner of acquisition, at a price equivalent to the current market price at any given time, to the extent that the total holding of such shares at any given time did not exceed 1 per cent of the total number of shares in the Bank.

The Board proposes that the Annual General Meeting resolves to permit, on the terms as set out in the previous paragraph, the Bank to acquire its own shares to the extent that the total holding of such shares at any given time does not exceed 1 per cent of the total number of shares in the Bank during the time up until the Annual General Meeting in 2012 in order to facilitate the Bank's securities operations.

The Board of Directors' statement according to Chapter 19 Section 22 of the Companies Act has been drawn up 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 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 2011
Swedbank AB (publ)

The Board of Directors

The Board of Directors' of Swedbank AB proposal for a resolution regarding authorisation for the Board of Directors to decide on acquisition of the Bank's own shares, in accordance with item 18 of the proposed Agenda for the Annual General Meeting on 25 March 2011

Purpose, etc.

The bank's capitalisation is strong. Swedbank financial companies group's core Tier 1 capital ratio according to Basel 2 as per 31 December 2010 was 13.9 per cent. The Board of Directors has decided that the bank's long-term core Tier 1 ratio shall not be less than 10 per cent. However, until 2013 the core Tier 1 ratio shall be at least 13 per cent according to current rules, excluding complement during the transition period.

The bank has no need to further strengthen its capitalisation. An authorization by the Annual General Meeting to the Board to decide on acquisition of the bank's own shares is therefore justified to provide the Board with the possibility to continuously adapt the bank's capital to existing capital needs.

Conditions for acquisition of the Bank's own shares

Based on the foregoing the Board of Directors proposes that the Annual General Meeting authorises the Board of Directors to, during the period until the Annual General Meeting 2012, resolve on acquisition of the bank's own ordinary and/or preference shares in Swedbank AB as set out below:

1. Acquisitions shall only be made through purchase on NASDAQ OMX Stockholm.
2. The authorisation may be utilised on one or several occasions prior to the Annual General Meeting of 2012.
3. The Bank's total holding of its own shares may not exceed ten per cent of the total number of shares in the bank.
4. Acquisitions may only be made at a price which lies within the interval between the highest bid price and the lowest ask price quoted on NASDAQ OMX Stockholm at the time of acquisition.

The Board of Directors' statement according to Chapter 19 Section 22 of the Companies Act has been drawn up 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 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 2011
Swedbank AB (publ)
The Board of Directors

Translation

19 a) Proposal to approval of the resolution of the Board of Directors of Swedbank AB regarding deferred variable remuneration in the form of shares under program 2010

The Board of Directors of Swedbank has resolved on deferred variable remuneration in the form of shares under the performance and share based remuneration program for the Swedbank Group for 2010 ("Program 2010"), resolved by the Board of Directors, subject to the General Meeting's subsequent approval, in accordance with what is set out as follows.

1. Purpose and main features

Program 2010 aims to attract, keep and motivate the best competence and to ensure that Swedbank's remuneration levels are competitive in every submarket as well as to stimulate the employees to make efforts which strengthen the bank in a long-term perspective, while Program 2010 at the same time shall be reasonable and in harmony with the bank's business strategy. Further, the program aims at creating a long-term engagement in the bank by the employees and to connect their interests with the shareholders' interests through deferred variable remuneration in the form of shares. The program is designed to meet the regulatory requirements that apply to variable remuneration in banks and other financial entities.

In essence, Program 2010 means that to the extent certain performance targets ("Performance Targets") have been achieved during the financial year 2010 (the "Performance Year") the participants in the program (the "Participants") has during February 2011 been awarded a variable remuneration (the "Gross Performance Amount"), of which a part (the "Share Performance Amount") has been awarded in the form of so called employee stock options which are conditional, non-transferable rights ("Performance Rights") to receive ordinary shares in Swedbank during 2014, automatically and at no cost ("Performance Shares"). The allotment of the Performance Rights is conditional upon the Annual General Meeting's subsequent approval of deferred variable remuneration in the form of shares under Program 2010.

The duration of Program 2010 is approximately four years and two months, with the initial Performance Year (2010) followed by three qualification years (2011–2013) before the final transfer of Performance Shares to the Participants is estimated to occur in 2014, after the publication of the year-end report for 2013, *i.e.*, before the end of February 2014.

Deferred variable remuneration in the form of shares under Program 2010 is not pensionable income.

2. The participants

Program 2010 is addressed to all personnel who may receive variable remuneration in the business areas Retail, Large Corporates & Institutions (LC&I), Asset Management and Group Business Support as well as certain personnel in the functions Group Risk, Group Finance and Group Treasury. Consequently, the Participants comprise a total of approximately 6,400 employees within the Swedbank Group. Senior management is not included in Program 2010. In this context, Senior Management includes the CEO of the bank and the executives who at each time report to him or her and who also are members of the Group Executive Committee.

Each Participant is classified as either risk-taker or non risk-taker. A "*risk-taker*" is defined as an employee within the Swedbank Group who belongs to a category of personnel which in its position exerts or may exert a not immaterial influence on the employer's or the Swedbank Group's risk level. Employees who are not risk-takers are "*non risk-takers*". Approximately eight percent of the employees of the Group are classified as risk-takers according to the bank's definition. Under Program 2010, which only includes approximately 6,400 employees, the number of risk-takers is approximately 830, which correspond to approximately 13 percent of the total number of Participants.

Participants that during the duration of Program 2010 give notice to leave or are dismissed or leave the Group due to any other reason will not, as a general rule, have the right to continue to participate in the program. Participants who during the duration of Program 2010 enter leave of absence, parental leave, sick leave or similar and accordingly remain employed or who retire have the right to continue to participate in the program, subject to an individual adjustment of the terms and conditions. Decisions that deviate from the distinction above may occur in individual cases.

Further, any participation in Program 2010 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 of the program.

3. Performance Targets and Gross Performance Amount

The allotment of the Gross Performance Amount and the outcome of Program 2010 for each Participant are dependent on the extent to which the Performance Targets have been achieved. The Performance Targets have been measured during the Performance Year and have, for the majority of the Participants, been determined on the following three evaluation levels.

- The profit performance after tax for the entire Swedbank Group.
- The profit, adjusted for capital costs and risks, for the respective business area.
- The risk adjusted results on an individual and/or team level. When assessing the targets at this level a number of behavioral variables connected to the core values of the Swedbank Group are also evaluated.

After the Performance Year an individual Gross Performance Amount has been determined for each Participant based on an assessment of the extent to which the Performance Targets have been achieved. The assessment of the extent to which the Performance Targets have been achieved has been made on a discretionary basis by the Board of Directors, or by a person authorized by the Board of Directors, and consequently there was no automatic right to allotment of any Gross Performance Amount even if the Performance Targets, fully or partially, could be considered to have been achieved.

The maximum Gross Performance Amount is individually predetermined for each Participant and is dependent on, *inter alia*, which business area or function the Participant belongs to and the Participant's individual position and/or areas of responsibility.

4. Share Performance Amount *etc.*

For each Participant who is a *risk-taker*, the Share Performance Amount is 60 percent of the Gross Performance Amount determined for such Participant. For each Participant who is a *non risk-taker*, the Share Performance Amount is 40 percent of the Gross Performance Amount determined for such Participant.

The total allotted Share Performance Amount for Program 2010 has been determined to SEK 109 million plus social security costs. The number of Participants who are allotted a Share Performance Amount amounts to approximately 6,000.

The Share Performance Amount has been paid by the allotment of Performance Rights. The allotment of Performance Rights is subject to the Annual General Meeting's subsequent approval of deferred variable remuneration in the form of shares under Program 2010.

The difference between the Share Performance Amount and the Gross Performance Amount, *i.e.*, for risk-takers 40 percent of the Gross Performance Amount and for non risk-takers 60 percent of the Gross Performance Amount, is intended to be paid in cash to the respective Participant at an upcoming regular salary payment after the allotment.

If the Annual General Meeting 2011 does not approve the existing resolution regarding deferred variable remuneration in the form of shares under Program 2010, the Board of Directors may instead resolve on *deferred variable cash remuneration*, which would result in an increased cash portion within the limits of the maximum Gross Performance Amount and that Program 2010 will become a purely cash based program with a certain part as deferred cash remuneration.

5. Performance Rights

The Share Performance Amount has been converted into a number of Performance Rights, rounded off to the nearest whole number, by dividing the Share Performance Amount with the average daily volume weighted price paid per ordinary share in Swedbank at NASDAQ OMX Stockholm during the last ten trading days in January 2011 (the "Translation Rate"). The Translation Rate amounts to SEK 101.75. Consequently, the total number of Performance Rights which have been allotted to the Participants amounts to approximately 1.1 million.

One Performance Right gives the Participant a conditional right to receive in 2014, automatically and at no cost, one Performance Share, after the publication of Swedbank's year-end report for 2013.

A Performance Right does not constitute a security or a financial instrument and will not be registered in any VP account with Euroclear Sweden AB or any other 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 Performance Right.

If and each time the record day for receiving a cash dividend to an ordinary share resolved by the bank occurs during the duration, the number of Performance Rights held by each Participant on that 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 ordinary share (expressed in SEK) divided by the average daily volume weighted price paid per ordinary share at NASDAQ OMX Stockholm during the first ten trading days immediately after the relevant record day (expressed in SEK).

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

The Board of Directors, or its Remuneration Committee after authorization by the Board of Directors, has the right to resolve on the detailed terms and conditions for Program 2010 based on the principles for the program, as they appear in this resolution, as well as if necessary adapt Program 2010 to any new or amended regulatory requirements, or amended practice or interpretation by a public authority as regards existing regulatory requirements.

6. Transfer of Performance Shares

Each Performance Right held by a Participant bestows upon the Participant a conditional right to receive in 2014, automatically and at no cost, one Performance Share, after the publication of Swedbank's year-end report for 2013. The conditions for receiving a Performance Share are *firstly*, that the Annual General Meeting has approved deferred remuneration in the form of shares under Program 2010, *secondly*, as a general rule, that the Participant at the acquisition date has not given notice to leave or been dismissed or left the Group for any other reason, and *thirdly*, the following conditions.

In order for a Performance Right to entitle receipt of a Performance Share at no cost, the following conditions must be fulfilled at the acquisition date:

- (i) The Performance Targets shall still be 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 the Group,
- (iii) the outcome of Program 2010 shall still appear justified with regard to the financial situation of the bank, the employer and the Group.
- (iv) the outcome of Program 2010 shall still appear justified with regard to the performance of (a) the bank, the employer and the Group, (b) the relevant business area or function, and (c) the Participant in question,
- (v) the outcome of Program 2010 shall appear reasonable with regard to other relevant circumstances, including the situation on the equity market and possible changes in accounting principles or 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 its Remuneration Committee after authorization by the Board of Directors, shall prior to and in close proximity to each imminent transfer of Performance Shares under Performance Rights evaluate whether and to which extent the foregoing conditions have been fulfilled. If not all the conditions are considered to be fulfilled at such time, the Board of Directors has the right, at its discretion, to unilaterally change the terms and conditions within the framework of Program 2010 as the Board of Directors deems appropriate and in this context for example fully or partially 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 such decision.

7. Hedging

Program 2010 involves a commitment for Swedbank, subject to certain conditions, to ensure that ordinary shares are transferred at no cost to the Participants. Therefore, the Board of Directors has considered different arrangements as to how such commitment should be hedged. The Board of Directors has found that the most cost efficient and flexible method is to issue and immediately repurchase shares of a new class, convertible so called C-shares, which later are converted into ordinary shares to be held by the bank and at the right time transferred to entitled Participants. The C-shares shall not carry any right to dividends, carry a low number of votes and be redeemable and, if the shares are held by the bank, be convertible into ordinary shares upon a resolution by the Board of Directors.

Therefore, the Board of Directors also proposes (see the proposal below) that the Annual General Meeting 2011 resolves on an amendment of Swedbank's Articles of Association, and authorizes the Board of Directors to resolve on a directed new issue of C-shares to a financial institution engaged for this particular purpose, and to repurchase all C-shares, and that the meeting resolves to transfer ordinary shares *partly* at no cost to entitled Participants, directly or where applicable through the bank's subsidiaries or an external party engaged for this particular purpose, and *partly* – to cover certain costs in connection with Program 2010, in particular social security costs – at market price at NASDAQ OMX Stockholm.

If the Annual General Meeting 2011 does not approve of the mentioned proposal in accordance with the preceding paragraph, the Board of Directors intends to hedge the bank's exposure as concerns delivery of ordinary shares 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 ordinary shares in Swedbank.

8. Estimated costs for the share part of Program 2010

In the Swedbank Group's financial reporting of costs for the share part of Program 2010, the program shall throughout its duration be recognized as staff costs in the income statement in accordance with IFRS 2 Share-based Payments.

The total cost for the Share Part of Program 2010 is determined by multiplying the fair value per Performance Right by the number of Performance Rights that are estimated to result in a transfer of Performance Shares in 2014 (*i.e.*, the number of Performance Rights allotted to the Participants in 2011 (adjusted with a standardized estimated dividend compensation) with a deduction of an estimated number of Performance Rights expected to be forfeited on account of Participants who during the duration of Program 2010 give notice to leave or are dismissed or by any other reason leave the Swedbank Group). Furthermore, social security costs are added.

The value of a Performance Right in Program 2010 shall in the financial reporting be determined definitely as per the day of the Annual General Meeting 2011, based on the closing price for the Swedbank ordinary share on the day of the Annual General Meeting. Until the value of a Performance Right can be determined definitely in accordance with the above, the costs of Program 2010 are based on an estimated value.

The estimated value of all Performance Rights estimated to result in a transfer of Performance Shares in 2014, amounts to approximately SEK 109 million excluding social security costs, which corresponds to slightly less than 0.1 percent of Swedbank's market value as of 31 January 2011.

The estimated annual cost in the income statement regarding the Performance Rights amounts to SEK 26.2 million, excluding social security costs.

The estimates above are standardized and based upon the closing price at the day of the Annual General Meeting 2011 being equal to the Translation Rate. Further, the estimates take into account on a standardized basis cost-reducing and cost increasing factors in this context, such as employee turnover and dividend compensation. The Board of Directors intends to make final calculations based on generally accepted valuation models, and may in connection therewith engage independent experts.

The social security costs depend on the market value of the Performance Shares at the time of delivery in 2014.

9. Dilution and effect on key ratios

As mentioned above, the total number of Performance Rights which has been allotted to the Participants amounts to approximately 1.1 million. Considering estimated employee turnover and additional ordinary shares *partly* intended to be transferred to cover costs, in particular social security costs, and *partly* for any dividend compensation, Program 2010 is expected to comprise in the aggregate a maximum of 1.5 million ordinary shares in Swedbank, of which approximately 0.4 million ordinary shares are estimated to constitute such shares which may be transferred to cover costs, in particular social security costs. If Swedbank's maximum expected commitment under Program 2010 is hedged by way of a new issue, repurchase and conversion of C-shares, the share capital would be increased by a total of a maximum of SEK 31.5 million through the issue of not more than 1.5 million new shares. An issue and conversion into ordinary shares of the maximum number of C-shares would result in a total dilution of approximately 0.13 percent in relation to the number of shares and votes in Swedbank after a full dilution, calculated as the maximum number of additional shares in relation to the sum of the number of existing ordinary and preference shares and the maximum number of additional shares.

If Swedbank's commitment under Program 2010 is hedged by way of an agreement (equity swap agreement, certificate or similar) with a financial institution, Program 2010 will not have any dilutive effect on Swedbank's share capital, since no new shares will be issued.

The costs for Program 2010 and a possible dilution of Swedbank's share capital are expected to have a marginal impact on the Swedbank Group's key ratios.

10. Taxation

Taxation of Participants

In Program 2010, the Participants will be taxed the income year when the Performance Shares are received at the earliest, since the Performance Right for tax purposes is 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 of the fringe benefit will be taxed for the Participants as income from employment.

Generally, also Participants in countries outside of Sweden will be taxed for the value of the fringe benefit as income from employment.

Taxation of the bank

Swedbank has full right to deduction of 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 periodized over the duration of Program 2010. 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.

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.

11. Preparation of Program 2010 *etc.*

The Board of Directors' Remuneration Committee has during 2010 and 2011 prepared the proposal for Program 2010. The Board of Directors' overall assessment is that Program 2010 creates a more uniform and sustainable system for variable remuneration within the Swedbank 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.

Program 2010 will be evaluated annually and is intended to be followed by corresponding performance and share based remuneration programs, subject to possible amendments resulting from the annual evaluation, during the following years.

The Board of Directors' proposal to the Annual General Meeting 2011

The resolution by the Board of Directors that part of the variable remuneration under Program 2010 shall be deferred and paid in the form of shares (by allotment of Performance Rights and later a transfer of Performance Shares) is adopted subject to the General Meeting's subsequent approval.

Due to the above, the Board of Directors proposes that the Annual General Meeting 2011 resolves to approve the resolution of the Board of Directors regarding deferred remuneration in the form of shares (by the allotment of Performance Rights and later a transfer of Performance

Shares) under Program 2010. The Annual General Meeting's resolution is valid if supported by shareholders holding more than half of the votes cast.

Stockholm in February 2011
Swedbank AB (publ)
The Board of Directors

19 b) The Board of Directors' of Swedbank AB proposal for a resolution to be adopted by the Annual General Meeting regarding transfer of ordinary shares *etc.*

Background

As evident from the Board of Directors' resolution regarding deferred remuneration in the form of shares, subject to the General Meeting's subsequent approval, under the performance and share based remuneration program for 2010 ("Program 2010") resolved by the Board of Directors, the Board of Directors has found that the most cost efficient and flexible method of hedging Swedbank's commitment under Program 2010 is to issue and immediately repurchase and convert into ordinary shares, shares of a new class, convertible so called C-shares. These shall not carry any rights to dividends, carry a low number of votes, be redeemable and may, if the shares are held by the bank itself, be converted into ordinary shares upon a resolution by the Board of Directors.

In light of above, the Board of Directors proposes that the Annual General Meeting 2011 resolves to amend the Articles of Association of Swedbank, to allow convertible C-shares to be issued, and authorizes the Board of Directors to resolve on a directed new issue of C-shares to a financial institution engaged for this particular purpose, and to repurchase all C-shares. These C-shares will then, during the duration of Program 2010, be held by the bank as treasury shares and the requisite number of C-shares, after conversion into ordinary shares, are then intended to be transferred at no cost to entitled participants of Program 2010 (the "Participants") and in any subsequent performance and share based remuneration programs within the Swedbank Group ("Subsequent programs"), directly or where applicable indirectly through the bank's subsidiaries or an external party engaged for this particular purpose. The Board of Directors also intends to cover certain costs in connection with Program 2010 and any Subsequent programs, in particular social security costs, by transferring ordinary shares at market price at NASDAQ OMX Stockholm. Therefore, the Board of Directors proposes that the Annual General Meeting 2011 also resolves on the transfer of own ordinary shares.

The proposals of the Board of Directors are set out in items 1-4 below.

1. Amendment of Articles of Association

The Board of Directors proposes that the Annual General Meeting 2011 resolves on an amendment of § 3 (Share capital *etc.*) and § 14 (Right to dividends *etc.*) of the Articles of Association, including the introduction of a new, third class of shares, called C-shares, which carry one tenth of a vote per share. C-shares may be issued in a number of not more than 50 million and shall not carry any right to dividends and carry only a limited right to assets upon the bank's dissolution. C-shares shall be redeemable at the request of the Board of Directors. Upon redemption, the redemption consideration per C-share shall be equal to the quotient value of the share adjusted upwards by an interest factor equal to STIBOR 30 days plus one additional percentage unit from the day of payment of the subscription price for the share until the redemption consideration is paid. Furthermore, C-shares held by the bank itself may upon resolution by the Board of Directors be converted into ordinary shares.

The proposed amendments of the Articles of Association are set forth in [Appendix 1](#).

The amendments of the Articles of Association require approval from the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*).

2. Authorization for the Board of Directors to resolve on a new issue of C-shares

The Board of Directors proposes that the Annual General Meeting 2011 resolves to authorize the Board of Directors, at one or more occasions, until the next Annual General Meeting, to resolve to increase Swedbank's share capital by not more than SEK 31,500,000 through a new issue of not more than 1,500,000 C-shares (or such adjusted higher number which may be a result of a bonus issue, share split or corresponding corporate events). The new shares shall, with a deviation from the shareholders' preferential rights, be directed to a financial institution engaged by the Board of Directors for this particular purpose, at a subscription price equal to the quotient value as at the time of the Board of Directors' resolution regarding the new issue.

The purpose of the authorization and the reason for the deviation from the shareholders' preferential rights are to ensure delivery of ordinary shares to the Participants and participants in any Subsequent programs and to cover certain costs in connection with Program 2010 and any Subsequent programs, in particular social security costs.

3. Authorization for the Board of Directors to resolve on a repurchase of own C-shares

The Board of Directors proposes that the Annual General Meeting 2011 resolves to authorize the Board of Directors, at one or more occasions, until the next Annual General Meeting, to resolve on a repurchase of own C-shares. Repurchase may only be made by way of an offer to repurchase directed to all holders of C-shares and shall include all C-shares. The maximum number of C-shares which may be repurchased shall amount to the maximum number of C-shares which may be issued on the basis of the authorization according to item 2 above. Repurchase shall be made at a price per share equal to not less than 100 percent and not more than 105 percent of the quotient value applicable at the time of the resolution by the Board of Directors regarding the new issue on the basis of the authorization according to item 2 above. Payment for the purchased C-shares shall be made in cash. The Board of Directors shall be authorized to determine other terms and conditions of the repurchase. Repurchase shall also be possible with respect to a so called interim share, designated by Euroclear Sweden AB as a "Paid Subscription Share" (Sw. *"BTA"*) relating to a C-share.

The purpose of the authorization is to ensure delivery of ordinary shares to the Participants and participants in any Subsequent programs, and to cover certain costs in connection with Program 2010 and any Subsequent programs, in particular social security costs.

The Board of Directors' statement according to Chapter 19, Section 22 of the Swedish Companies Act (Sw. *"aktiebolagslagen"*) is set out in [Appendix 2](#).

4. Transfer of own ordinary shares

The Board of Directors proposes that the Annual General Meeting 2011 resolves that C-shares repurchased by virtue of the authorization of the Board of Directors under item 3 above, after having been converted into ordinary shares, or ordinary shares acquired at NASDAQ OMX Stockholm under any at each time prevailing authorization of repurchase of own shares, may be transferred, with a deviation from the shareholders' preferential rights, to the Participants and where applicable also to participants in any Subsequent programs. Moreover, subsidiaries within the Swedbank Group and where applicable an external party engaged by the Board of Directors for this particular purpose shall have the right to acquire shares, it being understood that such subsidiaries and where applicable such external party shall be obliged to immediately and at no cost transfer the shares to concerned employees comprised by Program 2010 and any Subsequent programs. The reason for the deviation from the shareholders' preferential rights is

to ensure delivery of ordinary shares to the Participants and to participants in any Subsequent programs. Not more than 1,500,000 ordinary shares may be transferred (or such adjusted higher number of ordinary shares which may be a result of a bonus issue, new issue of shares, share split, dividend compensation or corresponding corporate events). The transfer of shares shall be made at no cost to the Participants and to participants in any Subsequent programs and according to the terms and conditions under which the Participants and participants in any Subsequent programs are entitled to receive ordinary shares, after the publication of Swedbank's year-end report for 2013 or later equivalent year-end reports for any Subsequent programs, however, no later than within eleven months after the publication of the relevant year-end report.

Furthermore, Swedbank may transfer a maximum of 1,500,000 ordinary shares (or such adjusted higher number of ordinary shares which may be a result of a bonus issue, new issue of shares, share split, dividend compensation or corresponding corporate events) at NASDAQ OMX Stockholm for the purpose of covering certain costs in connection with Program 2010 and any Subsequent programs, in particular social security costs. Such transfers shall be made at a price within the at each time prevailing spread for the ordinary share at NASDAQ OMX Stockholm.

The Board of Directors proposes that the Annual General Meeting 2011 authorizes the CEO, or the person who is appointed by the CEO, to make minor adjustments in the resolution above regarding the amendment of the Articles of Association and the authorization for the Board of Directors to resolve on a new issue of C-shares, that may be necessary in connection with the registration of the resolutions with the Swedish Companies Registration Office. In addition, it is proposed that the CEO is authorized to make minor adjustments in the resolution above regarding the amendment of the Articles of Association that may be necessary in order to obtain the Swedish Financial Supervisory Authority's approval regarding the amendment of the Articles of Association.

The Board of Directors' proposals for resolutions under items 1-4 above are conditional upon each other and shall consequently be viewed as one single resolution. For the resolution 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 Annual General Meeting 2011.

The Board of Directors' proposals for resolutions under items 1-4 above are conditional upon the resolution of the Board of Directors regarding deferred variable remuneration in the form of shares under Program 2010 having been approved by the Annual General Meeting 2011.

Stockholm in February 2011
Swedbank AB (publ)

The Board of Directors

Translation

20 a) Proposal to approval of the resolution of the Board of Directors of Swedbank AB regarding a collective program 2011

The Board of Directors of Swedbank has resolved on a collective performance and share based remuneration program for 2011 ("the collective program" or "CP 2011"), subject to the Annual General Meetings subsequent approval, according to what is set out in the following.

1. Purpose and main features

The collective program aims to attract, keep and motivate employees and to ensure that Swedbank's remuneration levels are competitive in every submarket as well as to stimulate the employees to make efforts which strengthen the bank in a long-term perspective, while the program at the same time shall be reasonable and in harmony with the bank's business strategy. The program shall also promote a sound and effective risk management and discourage excessive risk taking. Further, the program aims at creating 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. The collective program is designed to meet the regulatory requirements that apply to variable remuneration in banks and other financial undertakings.

In essence, CP 2011 means that to the extent certain performance targets ("Performance Targets") are achieved during the financial year 2011 (the "Performance Year") the participants in the program (the "Participants") are awarded a variable remuneration in the beginning of 2012 (the "Share Performance Amount"), which is intended to be allotted in the form of conditional, non-transferable rights ("Performance Rights"). Each Performance Right entitles receipt of one ordinary share in Swedbank at a future point of time, automatically and at no cost ("Performance Share"); for half of the Performance Rights the Performance Shares are received in 2014 and for the other half in 2015. However, for certain categories of Participants, if it is necessary to meet regulatory or other requirements, a higher part of the Performance Rights than half or all the Performance Rights may entitle to receive Performance Shares in 2015.

The total duration of CP 2011 is approximately four years and three months, with accrual during the initial Performance Year (2011) followed by allotment and a deferral period of two or three years before the final transfer of Performance Shares to the Participants is expected to occur with a maximum of half of the shares in 2014 and the remaining part in 2015, at both occasions after the publication of the year-end report for the immediately preceding year and before the end of March.

Deferred variable remuneration in the form of shares under CP 2011 is not pensionable income.

2. Participants

CP 2011 includes approximately 15,500 of a total of approximately 17,500 employees within the Swedbank Group. Also Senior Management is included in CP 2011. In this context, Senior Management includes the executives of the Group Executive Committee who at each time report to the bank's CEO, however not the CEO himself or the additional four members of the Group Executive Committee who are subject to the bank's undertakings according to a guarantee agreement with the government. Russia and Ukraine are not included in CP 2011, nor is the joint venture company Entercard.

Participants that during the duration of CP 2011 give or receive notice to leave or leave the Group due to any other reason will not, as a general rule, have the right to continue to participate in the program. Participants who enter leave of absence, parental leave, sick leave or similar during the Performance Year and who accordingly remain employed have the right to continue to participate in the program, subject to an individual adjustment of the terms and conditions. Participants who have received allotment in CP 2011 and after the allotment enter leave of absence, parental leave, sick leave or similar and who accordingly remain employed or who retire have the right to continue to participate in the program. Decisions that deviate from the distinctions above may occur in individual cases.

Any participation in CP 2011 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 of CP 2011.

3. Performance Targets and Share Performance Amount

The allotment of the Share Performance Amount and the outcome of CP 2011 for each Participant are dependent on the extent to which the Performance Targets are achieved. The Performance Targets are measured during the Performance Year and are, for the majority of the Participants, based on the following criteria.

- The profit, adjusted for capital costs and risks, for the Swedbank Group and respective business area.
- The risk adjusted performance on an individual and team level as well as performance under the bank's performance development process. When assessing the targets at this level a number of behavioral variables connected to the core values of the Swedbank Group are also evaluated.

After the Performance Year an individual Share Performance Amount is determined for each Participant based on an assessment of the extent to which the Performance Targets have been achieved. The 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, and consequently there is no automatic right to allotment of any Share Performance Amount even if the Performance Targets, wholly or partially, 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 2011) is limited to SEK 300,000 or, for Participants with a fixed base salary for the Performance Year exceeding 30 income base amounts¹, 20 percent of such fixed base salary.

The total Share Performance Amount for all Participants in CP 2011 is limited to SEK 530 million excluding social security costs.

The Share Performance Amount is paid by allotment of Performance Rights. The allotment of Performance Rights is expected to occur during February or March 2012.

4. 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 with the average daily volume weighted price paid per ordinary share in Swedbank at NASDAQ OMX Stockholm during the last ten trading days in January 2012 (the "Translation Rate"), however, not lower than SEK 50 per share (the "Floor Price"). The Board of Directors has the right to, in connection with certain

¹ "Income base amount" shall have the same meaning as in Chapter 1, Section 6 of the Swedish Act (1998:674) on Earnings-related Retirement Pension. For the income year 2011, the income base amount is SEK 52,100 and 30 income base amounts are SEK 1,563,000.

corporate events, *inter alia*, in case of a share split or a reverse share split, 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 theoretically amounts to a maximum of 10.6 million, 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 is hypothetically assumed to be SEK 100, the total number of Performance Rights which may be allotted to the Participants amounts to a maximum of 5.3 million.

A Performance Right does not constitute a security or a financial instrument and will not be registered on any VP account with Euroclear Sweden AB or any other 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 Performance Right. However, dividend compensation is paid on the underlying Performance Share during the duration according to the following. If and at each time the record day for receiving a cash dividend to an ordinary share as resolved by the bank occurs during the duration, 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 ordinary share (expressed in SEK) divided by the average daily volume weighted price paid per ordinary share at NASDAQ OMX Stockholm during the first ten trading days immediately after the relevant record day (expressed in SEK).

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

One Performance Right carries a conditional right to receipt of one Performance Share at a future point in time, at no cost and automatically, in accordance with what is set out in the following.

5. Transfer of Performance Shares

Each Performance Right held by a Participant bestows upon the Participant a conditional right to receive in a certain year, for half of the Performance Rights in 2014 and for the other half in 2015, automatically and at no cost one Performance Share, after the publication of Swedbank's year-end report for the immediately preceding year. 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.

For certain categories of Participants, a higher portion of the Performance Rights than half or all the Performance Rights may entitle to receive Performance Shares in 2015, if it is necessary to comply with regulatory or other requirements.

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:

- (i) The Performance Targets shall still be 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 the Group,
- (iii) the outcome of CP 2011 shall still appear justified with regard to the financial situation of the bank, the employer and the Group.
- (iv) the outcome of CP 2011 shall still appear justified with regard to the performance of (a) the bank, the employer and the Group, (b) the relevant business area or function, and (c) the Participant in question,
- (v) the outcome of CP 2011 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 its Remuneration Committee after authorization by the Board of Directors, shall prior to and in close proximity to each imminent transfer of Performance Shares under Performance Rights evaluate whether and to which extent the stated conditions are fulfilled. If not all the conditions are considered to be fulfilled at such time, the Board of Directors has the right, at its own discretion, to unilaterally change the terms and conditions within the framework of CP 2011 as the Board of Directors deems appropriate and in this context for example wholly or partially declare out-standing 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.

For certain categories of Participants, transferred Performance Shares may be subject to disposal restrictions during a certain time period after the transfer, if and to such extent as is necessary to comply with regulatory requirements.

6. Hedging

CP 2011 involves a commitment for Swedbank, subject to certain conditions, to ensure that ordinary shares are transferred at no cost to the Participants. Therefore, the Board of Directors has considered different arrangements as to how such commitment should be hedged. The Board of Directors has found that the most cost efficient and flexible method is to issue and immediately repurchase shares of a new class, convertible so called C-shares, which later are converted into ordinary shares to be held by the bank and at the right time transferred to entitled Participants. The C-shares shall not carry any right to dividends, carry a low number of votes and be redeemable and, if the shares are held by the bank, be convertible into ordinary shares upon a resolution by the Board of Directors.

Therefore, the Board of Directors proposes that the Annual General Meeting 2011 resolves to authorize the Board of Directors to resolve on a directed new issue of C-shares to a financial institution engaged for this particular purpose, and to repurchase all C-shares, and that the meeting resolves to transfer ordinary shares *partly* at no cost to entitled Participants, directly or where applicable through the bank's subsidiaries or an external party engaged for this particular purpose, and *partly* – to cover certain costs in connection with CP 2011, in particular social security costs – at market price at NASDAQ OMX Stockholm.

If the Annual General Meeting 2011 does not approve of the mentioned proposal in accordance with the preceding paragraph, the Board of Directors intends to hedge the bank's exposure as concerns delivery of ordinary shares 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 ordinary shares in Swedbank.

7. Estimated costs

In the Swedbank Group's financial reporting of the costs for CP 2011, the program shall throughout its duration be recognized as staff costs in the income statement in accordance with IFRS 2 Share-Based Payments.

The total cost for CP 2011 is determined by multiplying the fair value per Performance Right by the number of Performance Rights that are estimated to result in a transfer of Performance Shares in 2014 and 2015 respectively (*i.e.*, the number of Performance Rights allotted to the Participants in 2012 adjusted by a standardized estimated dividend compensation with a deduction of an estimated number of Performance Rights assumed to be forfeited on account of Participants who during the duration of CP 2011 give or receive notice to leave or by any other reason leave the Swedbank Group). Furthermore, social security costs are added.

The value of a Performance Right in CP 2011 shall in the financial reporting be determined definitely at the time of the allotment of the Performance Rights based on the Translation Rate.

Until the value of a Performance Right can be definitely determined in accordance with the above, the costs of CP 2011 are based on an estimated value.

The estimated maximum value of all Performance Rights that may result in a transfer of Performance Shares in 2014 and 2015 respectively amounts to approximately SEK 530 million, which corresponds to 0.5 percent of Swedbank's market value as of 31 January 2011. The estimated value of all Performance Rights estimated to result in a transfer of Performance Shares in 2014 and 2015 respectively amounts to approximately SEK 424 million, which corresponds to 0.4 percent of Swedbank's market value as of 31 January 2011.

The maximum theoretical annual cost in the income statement for CP 2011 is expected to be SEK 147 million, excluding social security costs. The estimated annual cost in the income statement amounts to SEK 118 million, excluding social security costs.

The estimates above are standardized and based upon an achievement of the Performance Targets corresponding to 80 percent of the total Share Performance Amount. Further, the estimates take into account on a standardized basis cost-reducing and cost-increasing factors in this context, such as employee turnover and dividend compensation. The Board of Directors intends to make final calculations based on generally accepted valuation models, and may in connection therewith engage independent experts.

The social security costs depend on the market value of the Performance Shares at the time of delivery in 2014 and 2015, respectively. The Board of Directors intends to estimate these costs based on, *inter alia*, statistics on the price movements of Swedbank's ordinary share and anticipated dividends.

8. Dilution and effect on key ratios

As previously mentioned, the total number of Performance Rights which may be allotted to the Participants theoretically amounts to a maximum of 10.6 million. If the Translation Rate hypothetically is assumed to be SEK 100, the total number of Performance Rights which may be allotted to the Participants amounts to a maximum of 5.3 million.

Considering also the maximum number of ordinary shares that may be added to be transferred to cover costs, in particular social security costs and for any dividend compensation, CP 2011 theoretically comprises in the aggregate a maximum of 14.0 million ordinary shares in Swedbank, of which 10.6 million are related to ordinary shares for delivery to the Participants. The remaining 3.4 million ordinary shares refer to those shares which may be transferred to cover costs, in particular social security costs.

If Swedbank's maximum theoretical commitment under CP 2011 is hedged by way of a new issue, repurchase and conversion of C-shares, the share capital will be increased by a total of a maximum of SEK 294 million through an issue of not more than 14.0 million new shares. An issue and conversion into ordinary shares of the theoretical maximum possible number of C-shares would result in a total dilution of approximately 1.2 percent in relation to the number of shares and votes in Swedbank (as of 31 January 2011) after full dilution, calculated as the maximum number of additional shares in relation to the sum of the number of existing ordinary and preference shares and the maximum number of additional shares.

If Swedbank's commitment under CP 2011 is hedged by way of an agreement (equity swap agreement, certificate or similar) with a financial institution, CP 2011 will not have any dilutive effect on Swedbank's share capital, since no new shares will be issued.

The costs for CP 2011 and a possible dilution of Swedbank's share capital are expected to have a marginal impact on the Swedbank Group's key ratios, also when taken together with the proposed individual program for 2011.

9. Taxation

Taxation of Participants

In CP 2011, the Participants will be taxed the income year when the Performance Shares are received at the earliest, since the Performance Right for tax purposes is 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 of the fringe benefit will be taxed for the Participants as income from employment. Generally, also Participants in countries outside of Sweden will be taxed for the value of the fringe benefit as income from employment.

Taxation of the bank

Swedbank has full right to deduction of 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 periodized over the duration of CP 2011. 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.

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.

10. Preparation of the program *etc.*

The Board of Directors' Remuneration Committee has during 2010 and 2011 prepared the proposal for CP 2011. The Board of Directors' overall assessment is that CP 2011 creates a more uniform and sustainable system for variable remuneration within the Swedbank 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.

CP 2011 will be evaluated annually and is intended to be followed by corresponding performance and share based remuneration programs, subject to possible amendments resulting from the annual evaluation, during the following years.

The Swedbank Group has currently no other share related incentive programs, except from the performance and share based remuneration program for 2010, where the part regarding deferred variable remuneration in the form of shares is proposed to be approved by the Annual General Meeting 2011, and the proposed individual program for 2011 (see B below).

The Financial Supervisory Authority (*Sw. Finansinspektionen*) has proposed that new rules and regulations regarding remuneration systems which comprise, *inter alia*, banking companies shall come into force on 1 March 2011. However, the final design of the rules and regulations was neither adopted nor published by the Financial Supervisory Authority (*Sw. Finansinspektionen*) in connection with the preparation of CP 2011. Accordingly, it may be necessary to adjust the design of CP 2011 with regard to the final rules and regulations. The Board of Directors, or its Remuneration Committee by virtue of authorization by the Board of Directors, has the right to adjust CP 2011 to any new or amended regulatory requirements, or amended practice or interpretation by a public authority as regards regulatory requirements, if necessary. Such adjustments may result in more stringent as well as more lenient conditions to the variable remuneration according to CP 2011. The Board of Directors, or its Remuneration Committee by virtue of authorization by the Board of Directors, has the right to resolve on the detailed terms and conditions for CP 2011, based on the principles for the program as they appear in this resolution.

The Board of Directors' proposal to the Annual General Meeting 2011

The resolution by the Board of Directors to establish CP 2011 is adopted subject to the General Meeting's subsequent approval.

Due to the above, the Board of Directors proposes that the Annual General Meeting 2011 resolves to approve the resolution of the Board of Directors to establish CP 2011. The Annual General Meeting's resolution is valid if supported by shareholders holding more than half of the votes cast. If the Annual General Meeting 2011 does not approve the Board of Directors' resolution, the Board of Directors may instead resolve on a collective program for variable remuneration with cash remuneration only, from which, where appropriate and considering the individual program (see B below), categories of Participants that according to regulatory requirements may not be comprised by a purely cash based remuneration program may be excluded.

Stockholm in February 2011
Swedbank AB (publ)
The Board of Directors

20 b) Proposal to approval of the resolution of the Board of Directors of Swedbank AB regarding deferred variable remuneration in the form of shares under an individual performance and share based remuneration program 2011

The Board of Directors of Swedbank has resolved on an individual performance and share based remuneration program for 2011 ("the individual program" or "IP 2011"). The part of the resolution regarding deferred variable remuneration in the form of shares has been adopted subject to the General Meeting's subsequent approval.

1. Purpose and main features

The individual program aims to attract, keep and motivate the best competence and to ensure that Swedbank's remuneration levels are competitive in every submarket as well as to stimulate the employees to make efforts which strengthen the bank in a long-term perspective, while the program at the same time shall be reasonable and in harmony with the bank's business strategy. The program shall also promote a sound and effective risk management and discourage excessive risk taking. Further, the program aims at creating 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. The individual program is designed with the purpose of stimulating increased efforts by employees in positions with direct impact on the creation of a long-term and sustainable shareholder value. The individual program is designed to meet the regulatory requirements that apply to variable remuneration in banks and other financial undertakings.

In essence, IP 2011 means that to the extent certain performance targets ("Performance Targets") are achieved during the financial year 2011 (the "Performance Year") the participants in the program (the "Participants") are allotted a variable remuneration in the beginning of 2012 (the "Gross Performance Amount"), of which a part (the "Share Performance Amount") is intended to be allotted in the form of conditional, non-transferable rights ("Performance Rights"). Each Performance Right entitles to receipt of one ordinary share in Swedbank in 2015, automatically and at no cost ("Performance Share").

The duration of IP 2011 is approximately four years and three months, with accrual during the initial Performance Year (2011) followed by allotment and a deferral period of three years (2012-2014) before the final transfer of the Performance Shares to the Participants is expected to occur in February or March 2015 after the publication of the year-end report for 2014.

Deferred variable remuneration in the form of shares under IP 2011 is not pensionable income.

2. Participants

IP 2011 is addressed to employees in positions where the individual performance is considered to significantly and positively contribute to long-term and sustainable shareholder value and where variable remuneration is deemed to promote such performance. Senior Management is however not included in IP 2011. In this context, Senior Management includes the executives of the Group Executive Committee who at each time report to the bank's CEO.

The Participants in IP 2011 comprise a total of approximately 1,200 employees within the Swedbank Group. Russia and Ukraine are not included in IP 2011, neither is the joint venture company Entercard.

Participants that during the duration of IP 2011 give or receive notice to leave or leave the Group due to any other reason will not, as a general rule, have the right to continue to participate in the program. Participants who during the Performance Year enter leave of absence, parental leave, sick leave or similar and who accordingly remain employed have the right to continue to participate in the program, subject to an individual adjustment of the terms and conditions. Participants who have received allotment in IP 2011 and after the allotment enter leave of absence, parental leave, sick leave or similar and who accordingly remain employed or who retire have the right to continue to participate in the program. Decisions that deviate from the distinctions above may occur in individual cases.

Any participation in IP 2011 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 of IP 2011.

3. Performance targets and Gross Performance Amount

The allotment of the Gross Performance Amount and the outcome of IP 2011 for each Participant are 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, determined on the following three evaluation levels.

- The profit after tax, adjusted for capital costs and risks, for the entire Swedbank Group.
- The profit, adjusted for capital costs and risks, for the respective business area and whether this has been achieved in accordance with the business area's strategic plan and a sound risk attitude.
- The risk adjusted results on an individual level and team level. When assessing the targets at this level, both financial as well as operational factors are evaluated, it being understood that the operational factors shall, as a general rule, constitute a minimum of 30 percent of the total evaluation. Further, at these levels, a number of behavioral variables connected to the core values of the Swedbank Group are evaluated.

After the Performance Year an individual Gross Performance Amount is determined for each Participant based on an assessment of the extent to which the Performance Targets have been achieved. The 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, and consequently there is no automatic right to allotment of any Gross Performance Amount even if the Performance Targets, wholly or partially, could be considered to have been achieved.

The maximum Gross Performance Amount is individually predetermined for each Participant and is dependent on, *inter alia*, which business area or function the Participant belongs to and the Participant's individual position and/or areas of responsibility.

4. Share Performance Amount *etc.*

For each Participant the Share Performance Amount is 40 percent of the Gross Performance Amount determined for such Participant.

The total Share Performance Amount for all Participants in IP 2011 is limited to a maximum of SEK 303 million excluding social security costs.

The Share Performance Amount is paid by the allotment of Performance Rights. The allotment of Performance Rights is expected to occur during February or March 2012.

The difference between the Share Performance Amount and the Gross Performance Amount, *i.e.*, 60 percent of the Gross Performance Amount, is intended to be paid in cash to the respective Participant in the beginning of 2012.

The Board of Directors reserves the right to – if and to such extent as is required to comply with regulatory requirements – resolve that for certain categories of Participants the Share Performance Amount will be a higher portion of the Gross Performance Amount than 40 percent and also to in any other manner make adjustments to the distribution of the Gross Performance Amount on *partly* remuneration consisting of shares and cash, and *partly* deferred remuneration and not deferred remuneration.

5. 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 with the average daily volume weighted price paid per ordinary share in Swedbank at NASDAQ OMX Stockholm during the last ten trading days in January 2012 (the "Translation Rate"), however, not lower than SEK 50 per share (the "Floor Price"). The Board of Directors has the right to, in connection with certain corporate events, *inter alia*, in case of a share split or a reverse share split, 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 theoretically amounts to a maximum of 6.1 million, 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 is hypothetically assumed to be SEK 100, the total number of Performance Rights which may be allotted to the Participants amounts to a maximum of 3.0 million.

A Performance Right does not constitute a security or a financial instrument and will not be registered on any VP account with Euroclear Sweden AB or any other 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 Performance Right. However, dividend compensation is paid on the underlying Performance Share during the duration according to the following. If and at each time the record day for receiving a cash dividend to an ordinary share as resolved by the bank occurs during the duration, 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 ordinary share (expressed in SEK) divided by the average daily volume weighted price paid per ordinary share at NASDAQ OMX Stockholm during the first ten trading days immediately after the relevant record day (expressed in SEK).

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

One Performance Right carries a conditional right to receive one Performance Share in 2015, after the publication of Swedbank's year-end report for 2014, at no cost and automatically, in accordance with what is set out in the following.

6. Transfer of Performance Shares

Each Performance Right held by a Participant bestows upon the Participant a conditional right to receive in 2015, automatically and at no cost, one Performance Share, after the publication of Swedbank's year-end report for 2014. 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 following conditions.

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

- (i) The Performance Targets shall still be 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 the Group,
- (iii) the outcome of IP 2011 shall still appear justified with regard to the financial situation of the bank, the employer and the Group.
- (iv) the outcome of IP 2011 shall still appear justified with regard to the performance of (a) the bank, the employer and the Group, (b) the relevant business area or function, and (c) the Participant in question,
- (v) the outcome of IP 2011 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 its Remuneration Committee after authorization by the Board of Directors, shall prior to and in close proximity to each imminent transfer of Performance Shares under Performance Rights evaluate whether and to which extent the foregoing conditions are fulfilled. If not all the conditions are considered to be fulfilled at such time, the Board of Directors has the right, at its discretion, to unilaterally change the terms and conditions within the framework of IP 2011 as the Board of Directors deems appropriate and in this context for example wholly or partially declare out-standing 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.

For certain categories of Participants, transferred Performance Shares may be subject to disposal restrictions during a certain time period after the transfer, if and to such extent as is necessary to comply with regulatory requirements.

7. Hedging

IP 2011 involves a commitment for Swedbank, subject to certain conditions, to ensure that ordinary shares are transferred at no cost to the Participants. Therefore, the Board of Directors has considered different arrangements as to how such commitment should be hedged. The Board of Directors has found that the most cost efficient and flexible method is to issue and immediately repurchase shares of a new class, convertible so called C-shares, which later are converted into ordinary shares to be held by the bank and at the right time transferred to entitled Participants. The C-shares shall not carry any right to dividends, carry a low number of votes and be redeemable and, if the shares are held by the bank, be convertible into ordinary shares upon a resolution by the Board of Directors.

Therefore, the Board of Directors proposes that the Annual General Meeting 2011 resolves to authorize the Board of Directors to resolve on a directed new issue of C-shares to a financial institution engaged for this particular purpose, and to repurchase all C-shares, and that the meeting resolves to transfer ordinary shares *partly* at no cost to entitled Participants, directly or where applicable through the bank's subsidiaries or an external party engaged for this particular

purpose, and *partly* – to cover certain costs in connection with IP 2011, in particular social security costs – at market price at NASDAQ OMX Stockholm.

If the Annual General Meeting 2011 does not approve of the mentioned proposal in accordance with the preceding paragraph, the Board of Directors intends to hedge the bank's exposure as concerns delivery of ordinary shares 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 ordinary shares in Swedbank.

8. Estimated costs for the share part of IP 2011

In the Swedbank Group's financial reporting of the costs for the share part of IP 2011, the program shall throughout its duration be recognized as staff costs in the income statement in accordance with IFRS 2 Share-Based Payments.

The total cost for the share part of IP 2011 is determined by multiplying the fair value per Performance Right by the number of Performance Rights that are estimated to result in a transfer of Performance Shares in 2015 (*i.e.*, the number of Performance Rights allotted to the Participants in 2012 (adjusted by a standardized estimated dividend compensation) with a deduction of an estimated number of Performance Rights assumed to be forfeited on account of Participants who during the duration of IP 2011 give or receive notice to leave or by any other reason leave the Swedbank Group). Furthermore, social security costs are added.

The value of a Performance Right in IP 2011 shall in the financial reporting be determined definitely at the time of the allotment of the Performance Rights based on the Translation Rate. Until the value of a Performance Right can be determined definitely in accordance with the above, the costs of IP 2011 are based on an estimated value.

The estimated maximum value of the Performance Rights that may result in a transfer of Performance Shares in 2015 amounts to approximately SEK 303 million, which corresponds to 0.26 percent of Swedbank's market value as of 31 January 2011. The estimated value of all Performance Rights estimated to result in a transfer of Performance Shares in 2015 amounts to approximately SEK 152 million, which corresponds to 0.13 percent of Swedbank's market value as of 31 January 2011.

The maximum theoretical annual cost in the income statement for the share part in IP 2011 is expected to be SEK 73 million, excluding social security costs. The estimated annual cost in the income statement amounts to SEK 36.5 million, excluding social security costs.

The estimates above are standardized and based upon an achievement of the Performance Targets corresponding to 50 percent of the total Share Performance Amount. Further, the estimates take into account on a standardized basis to cost-reducing and cost-increasing factors in the context such as employee turnover and dividend compensation. The Board of Directors intends to make final calculations based on generally accepted valuation models, and may in connection therewith engage independent experts.

The social security costs depend on the market value of the Performance Shares at the time of delivery in 2015. The Board of Directors intends to estimate these costs based on, *inter alia*, statistics on the price movements of Swedbank's ordinary share and anticipated dividends.

9. Dilution and effect on key ratios

As previously mentioned, the total number of Performance Rights which may be allotted to the Participants theoretically amounts to a maximum of 6.1 million. If the Translation Rate hypothetically is assumed to be SEK 100, the total number of Performance Rights which may be allotted to the Participants amounts to a maximum of 3.0 million.

Considering also the maximum number of ordinary shares that may be added to be transferred to cover costs, in particular social security costs, and for any dividend compensation, IP 2011 theoretically comprises in the aggregate a maximum of 8.0 million ordinary shares in Swedbank, of which 6.1 million are related to ordinary shares for delivery to the Participants. The remaining 1.9

million ordinary shares refer to those shares which may be transferred to cover costs, in particular social security costs.

If Swedbank's maximum theoretical commitment under IP 2011 is hedged by way of a new issue, repurchase and conversion of C-shares, the share capital will be increased by a total of a maximum of SEK 168 million through an issue of not more than 8.0 million new shares. An issue and a conversion into ordinary shares of the theoretical maximum possible number of C-shares would result in a total dilution of approximately 0.7 percent in relation to the number of shares and votes in Swedbank (as of 31 January 2011) after full dilution, calculated as the maximum number of additional shares in relation to the sum of the number of existing ordinary and preference shares and the maximum number of additional shares.

If Swedbank's commitment under IP 2011 is hedged by way of an agreement (equity swap agreement, certificate or similar) with a financial institution, IP 2011 will not have any dilutive effect on Swedbank's share capital, since no new shares will be issued.

The costs for IP 2011 and a possible dilution of Swedbank's share capital are expected to have a marginal impact on the Swedbank Group's key ratios, also when taken together with the proposed collective program for 2011.

10. Taxation

Taxation of Participants

In IP 2011, the Participants will be taxed the income year when the Performance Shares are received at the earliest, since the Performance Right for tax purposes is 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 of the fringe benefit will be taxed for the Participants as income from employment.

Generally, also Participants in countries outside of Sweden will be taxed for the value of the fringe benefit as income from employment.

Taxation of the bank

Swedbank has full right to deduction of 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 periodized over the duration of IP 2011. 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.

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.

11. Preparation of the program *etc.*

The Board of Directors' Remuneration Committee has during 2010 and 2011 prepared the proposal for IP 2011. The Board of Directors' overall assessment is that IP 2011 will motivate 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.

IP 2011 will be evaluated annually and is intended to be followed by corresponding performance and share based remuneration programs, subject to possible amendments resulting from the annual evaluation, during the following years.

The Swedbank Group has currently no other share related incentive programs, except from the performance and share based remuneration program for 2010, where the part regarding deferred variable remuneration in the form of shares is proposed to be approved by the Annual General Meeting 2011, and the proposed collective program for 2011 (see A above).

The Financial Supervisory Authority (Sw. *Finansinspektionen*) has proposed that new rules and regulations regarding remuneration systems which comprise, *inter alia*, banking companies shall come into force on 1 March 2011. However, the final design of the rules and regulations was not yet adopted or published by the Financial Supervisory Authority (Sw. *Finans-inspektionen*) in connection with the preparation of IP 2011. Accordingly, it may be necessary to adjust the design of IP 2011 with final to the definite rules and regulations.

The Board of Directors, or its Remuneration Committee by virtue of authorization by the Board of Directors, has the right to, if necessary, adjust IP 2011 to any new or amended regulatory requirements, or amended practice or interpretation by a public authority as regards regulatory requirements. Such adjustments may result in more stringent as well as more lenient conditions to the variable remuneration according to IP 2011. The Board of Directors, or its Remuneration Committee by virtue of authorization by the Board of Directors, also has the right to resolve on the detailed terms and conditions for IP 2011, based on the principles for the program as they appear in this resolution.

The Board of Directors' proposal to the Annual General Meeting 2011

The part of the resolution by the Board of Directors regarding IP 2011 that a part of the variable remuneration under the program shall be deferred and paid in the form of shares (by allotment of Performance Rights and later a transfer of Performance Shares) is adopted subject to the General Meeting's subsequent approval.

Due to the above, the Board of Directors proposes that the Annual General Meeting 2011 resolves to approve the resolution of the Board of Directors regarding deferred variable remuneration in the form of shares (by allotment of Performance Rights and later a transfer of Performance Shares) under IP 2011. The Annual General Meeting's resolution is valid if supported by shareholders holding more than half of the votes cast.

If the Annual General Meeting 2011 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 the collective program (see A above), 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 would result in an increased cash portion within the limits of the maximum Gross Performance Amount and that the individual program will become a purely cash based program with a certain part as deferred cash remuneration.

Stockholm in February 2011
Swedbank AB (publ)
The Board of Directors

20 c) The Board of Directors of Swedbank AB proposal for a resolution to be adopted by the Annual General Meeting regarding transfer of ordinary shares etc.

Background

As set out in the Board of Directors' resolutions regarding a collective and an individual performance and share based remuneration program for 2011 ("CP 2011" and "IP 2011" respectively, collectively referred to as "Program 2011"), the Board of Directors has found that the most cost efficient and flexible method of hedging Swedbank's commitment under Program 2011 is to issue and immediately repurchase and convert into ordinary shares so called C-shares. These shall not carry any rights to dividends, carry a low number of votes, be redeemable and may, if the shares are held by the bank itself, be converted into ordinary shares upon a resolution by the Board of Directors.

In light of the above, the Board of Directors proposes that the Annual General Meeting 2011, in case the necessary amendment of the Articles of Association has not been resolved in connection with the resolution regarding the Group's performance and share based remuneration program for 2010 ("Program 2010"), resolves to amend the Articles of Association of Swedbank, to allow convertible C-shares to be issued, and authorizes the Board of Directors to resolve on a directed new issue of C-shares to a financial institution engaged for this particular purpose, and to repurchase all C-shares. These C-shares will then, during the duration of the respective parts of Program 2011, be held by the bank as treasury shares and the requisite number of C-shares, after conversion into ordinary shares, are then intended to be transferred at no cost to entitled participants in Program 2010 or Program 2011 (the "Participants") and in any subsequent performance and share based remuneration programs within the Swedbank Group ("Subsequent programs"), directly or where applicable indirectly through the bank's subsidiaries or an external party engaged for this particular purpose. The Board of Directors also intends to cover certain costs in connection with Program 2010 or Program 2011 and any Subsequent programs, in particular social security costs, by transferring ordinary shares at market price at NASDAQ OMX Stockholm. Therefore, the Board of Directors proposes that the Annual General Meeting 2011 also resolves on the transfer of own ordinary shares.

The proposals of the Board of Directors are set out in items 1 – 4 below.

1. Amendment of Articles of Association

In the event that the required amendment of the Articles of Association has not been resolved in connection with the resolution regarding Program 2010, the Board of Directors proposes that the Annual General Meeting 2011 resolve on the same amendments of the Articles of Association as have been proposed in connection with Program 2010.

The proposed amendments of the Articles of Association are set forth in [Appendix 1](#).

The amendment of the Articles of Association requires approval from the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*).

2. Authorization for the Board of Directors to resolve on a new issue of C-shares

The Board of Directors proposes that the Annual General Meeting 2011 resolves to authorize the Board of Directors, at one or more occasions, in addition to what is resolved regarding Program 2010, until the next Annual General Meeting, to resolve to increase Swedbank's share capital by not more than SEK 462,000,000 through a new issue of not more than 22,000,000 C-shares (or such adjusted higher number which may be a result of a bonus issue, share split or corresponding corporate events). The new shares shall, with a deviation from the shareholders' preferential rights, be directed to a financial institution engaged by the Board of Directors for this particular purpose, at a subscription price equal to the quotient value as at the time of the Board of Directors' resolution regarding the new issue.

The purpose of the authorization and the reason for the deviation from the shareholders' preferential rights are to ensure delivery of ordinary shares to the Participants and participants in any Subsequent programs and to cover certain costs in connection with Program 2010 or Program 2011 and any Subsequent programs, in particular social security costs.

3. Authorization for the Board of Directors to resolve on a repurchase of own C-shares

The Board of Directors proposes that the Annual General Meeting 2011 resolves to authorize the Board of Directors, in addition to what is resolved regarding Program 2010, until the next Annual General Meeting, to resolve on a repurchase of own C-shares. The maximum number of C-shares which may be repurchased shall amount to the maximum number of C-shares which may be issued by virtue of the authorization according to item 2 above. Repurchase may only be made by way of an offer to repurchase directed to all holders of C-shares and shall include all C-shares. Repurchase shall be made at a price per share equal to not less than 100 percent and not more than 105 percent of the quotient value applicable at the time of the resolution by the Board of Directors regarding the new issue by virtue of the authorization according to item 2 above. Payment for the purchased C-shares shall be made in cash. The Board of Directors shall be authorized to determine other terms and conditions of the repurchase. Repurchase shall also be possible with respect to a so called interim share, designated by Euroclear Sweden AB as a "Paid Subscription Share" (Sw. *BTA*) relating to a C-share.

The purpose of the authorization is to ensure delivery of ordinary shares to the Participants and participants in any Subsequent programs, and to cover certain costs in connection with Program 2010 or Program 2011 and any Subsequent programs, in particular social security costs.

The Board of Directors' statement according to Chapter 19, Section 22 of the Swedish Companies Act (Sw. *aktiebolagslagen*) is set out in [Appendix 2](#).

4. Transfer of own ordinary shares

The Board of Directors proposes that the Annual General Meeting 2011 resolves that C-shares repurchased by virtue of the authorization of the Board of Directors under item 3 above, after having been converted into ordinary shares, or ordinary shares acquired at NASDAQ OMX Stockholm under any at each time existing authorization of repurchase of own shares, may be transferred, with a deviation from the shareholders' preferential rights, to the Participants and where applicable also to participants in any Subsequent programs. Moreover, subsidiaries within the Swedbank Group and where applicable an external party engaged by the Board of Directors for this particular purpose shall have the right to acquire shares, whereas such subsidiaries and where appropriate such external party shall be obliged to immediately and at no cost transfer the shares to the concerned Participants and where appropriate to participants in any Subsequent programs. The reason for the deviation from the shareholders' preferential rights is to ensure delivery of ordinary shares to the Participants and to participants in any Subsequent programs. Not more than 22,000,000 ordinary shares may be transferred (or such adjusted higher number of ordinary shares which may be a result of a bonus issue, new issue of shares, share split, dividend compensation or

corresponding corporate events). Transfer of shares shall be made at no cost to the Participants and to participants in any Subsequent programs and according to the terms and conditions under which the Participants and participants in any Subsequent programs are entitled to receive ordinary shares, after the publication of Swedbank's year-end report for the financial year 2013 or 2014 or equivalent year-end report for any Subsequent programs, however, no later than within eleven months after the publication of the relevant year-end report.

Furthermore, Swedbank may transfer a maximum of 22,000,000 ordinary shares (or such adjusted higher number of ordinary shares which may be a result of a bonus issue, new issue of shares, share split, dividend compensation or corresponding corporate events) at NASDAQ OMX Stockholm for the purpose of covering certain costs in connection with Program 2010 or Program 2011 and any Subsequent programs, in particular social security costs. Such transfer shall be made at a price within the prevailing spread for the ordinary share at NASDAQ OMX Stockholm.

The Board of Directors proposes that the Annual General Meeting 2011 authorizes the CEO, or the person who is appointed by the CEO, to make minor adjustments in the resolution above regarding the possible amendment of the Articles of Association and the authorization for the Board of Directors to resolve on a new issue of C-shares, that may be necessary in connection with the registration of the resolution with the Swedish Companies Registration Office. In addition, it is proposed that the CEO is authorized to make minor adjustments in the resolution above regarding the possible amendment of the Articles of Association that may be necessary in order to obtain the Swedish Financial Supervisory Authority's (Sw. *Finansinspektionen*) approval regarding the amendment of the Articles of Association.

The Board of Directors' proposals for resolutions under items 1 – 4 above are conditional upon each other and shall consequently be viewed as one single resolution. For the resolution 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 Annual General Meeting 2011.

The Board of Directors' proposals under items 1 – 4 above are conditional upon the resolution of the Board of Directors regarding CP 2011 and/or deferred variable remuneration in the form of shares under IP 2011 having been approved by the Annual General Meeting 2011.

If the Annual General Meeting 2011 does not approve of the proposals under items 1 – 4 above, the Board of Directors intends to hedge the bank's exposure as concerns delivery of ordinary shares 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 ordinary shares in Swedbank.

Stockholm in February 2011
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).

~~Each share is entitled to one vote.~~

It shall be possible to issue ~~two~~three different classes of shares: ordinary shares, ~~and~~ preference shares and C-shares. Ordinary shares may be issued up to a number corresponding to the highest number of shares permitted according to these Articles of Association. Preference

shares may be issued up to a maximum of three hundred million (300,000,000) ~~preference shares~~. C-shares may be issued up to a maximum of fifty million 50,000,000.

Ordinary shares and preference shares each entitles to one vote. C-shares are entitled to one tenth of a vote.

In the event that the Bank resolves to, by a cash issue or a set-off issue, issue new shares of different classes, the holders of ordinary shares, ~~and~~ preference shares and C-shares shall have preferential rights to subscribe for new shares of the same class in relation to the number of shares already held by each holder (primary preferential right). Shares not subscribed for on the basis of primary preferential rights shall be offered for subscription to all shareholders (secondary preferential right). If the number of shares offered in this manner is insufficient for subscription based on secondary preferential rights, the shares shall be allocated among the subscribers in relation to the total number of shares in the Bank held. To the extent this is not possible as regards a certain share/certain shares, the allocation shall be done by drawing of lots.

In the event that the Bank resolves to issue new shares, by a cash issue or a set-off issue, and only one class of shares is issued, all shareholders, regardless of whether they hold ordinary shares ~~or~~, preference shares ~~or~~ C-shares, shall have preferential rights to the new shares in relation to the number of shares in the Bank held.

In the event that the Bank resolves to issue new warrants or convertibles, by a cash issue or a set-off issue, the shareholders shall have preferential rights to the subscription of the new warrants as if the issue related to the shares that may be subscribed for following an exercise of the warrants or, in case of an issue of convertibles, as if the issue related to the shares that the convertibles may be converted into.

What is stipulated above shall not restrict the possibilities for resolving on a cash issue or set-off issue with deviation from the shareholders' preferential rights.

If the share capital is increased through a bonus issue, new shares of each class shall be issued in relation to the number of shares of each class previously issued. In such case, old shares of each class shall have preferential rights to new shares of the same class. What is hereby stipulated shall not restrict the possibilities for resolving, after necessary amendments of the Articles of Association, on a bonus issue of shares of a new class.

The Board of Directors may resolve on a reduction of the share capital, however not below the minimum share capital under these Articles of Association, through redemption of all C-shares. Upon redemption, the holder of any C-share shall be required to accept the redemption consideration for the share by an amount equal to the quotient value of the share adjusted upwards by an interest factor equal to STIBOR 30 days plus one (1) additional percentage unit from the day of payment of the subscription price for the share until the redemption consideration is paid. STIBOR 30 days shall be determined the first time at the day of payment of the subscription price. Before the reduction resolution is implemented, an amount equal to the reduction amount shall be transferred to the statutory reserve by resolution of the Board of Directors.

A preference share shall be converted (transformed) into an ordinary share as follows.

1. Voluntary conversion

An owner of a preference share is during the months of February and August each year, starting August 2009 (the "Conversion Periods"), entitled to request from the Board of Directors that the share is converted into an ordinary share. Request for conversion shall be made in writing on the form prescribed by the Board of Directors, and must be received by the Board of Directors not later than last day of the relevant Conversion Period. Request for conversion may only be made in relation to the owners' entire holding of preference shares. The Board of Directors is obliged to resolve, during the month immediately following each Conversion Period, on conversion of the preference shares held by shareholders that have requested conversion during the relevant Conversion Period.

2. Mandatory conversion

The Board of Directors is obliged to, during the calendar month immediately following the month in which the Annual General Meeting 2013 is held, however, if applicable, not earlier than the day after the record day for the right to receive dividends resolved at such Annual General Meeting, resolve to convert all preference shares into ordinary shares. At such time, the Board of Directors shall also establish and announce the record day for conversion.

C-shares held by the bank itself shall upon resolution by the Board of Directors be converted (transformed) into ordinary shares.

Conversion of preference shares or C-shares resolved by the Board of Directors in accordance with items 1 and 2as above shall immediately be submitted for registration with the Swedish Companies Registration Office (Sw. *Bolagsverket*). The conversion is executed when registration has been made and the conversion has been noted in the CSD register (Sw. *Avstämningsregistret*).

§ 4

Record day provision

The Bank's shares shall be registered in a register in accordance with the 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 of Directors shall, as a rule, meet once a month.

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 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.

§ 14

Right to dividends, etc

Ordinary shares and preference shares carry right to dividends in accordance with what is stated below. C-shares do not carry any right to dividends.

Upon a resolution on payment of dividends by a General Meeting, the dividends shall be distributed in accordance with the following:

1. Firstly, each preference share shall receive up to an amount of Swedish kronor two point forty (SEK 2.40) per preference share as regards dividends resolved in 2009 and up to an amount of Swedish kronor four point eighty (SEK 4.80) per preference share as regards dividends resolved in each of the years 2010, 2011, 2012 and 2013.

2. Secondly, to the extent that distributable funds remain after distribution in accordance with item 1 above under the resolution of the General Meeting, each ordinary share shall receive up to the same amount as the preference share in accordance with item 1 above as regards dividends resolved in each of the years 2009, 2010, 2011, 2012 and 2013.
3. Thirdly, to the extent that distributable funds remain after distribution in accordance with items 1 and 2 above under the resolution of the General Meeting, these funds shall, with regard to dividends resolved in 2009, be paid only to ordinary shares and with regard to dividends resolved in each of the years 2010, 2011, 2012 and 2013 be distributed equally to all ordinary and preference shares regardless of class. Thus, holders of preference shares shall not have any right to receive dividends resolved in 2009 under this item 3, but only according to item 1 above.

If, during any year dividends are not paid to a preference share or an ordinary share as prescribed under items 1 and 2 above, such share shall not have any right to recover in any subsequent year what has not been paid.

If the Bank shall be dissolved through liquidation, the preference shares, ~~and~~ the ordinary shares and the C-shares shall have right to the assets in the Bank in accordance with the following:

- A. Firstly, each preference share shall receive up to an amount of Swedish kronor forty-eight (SEK 48) per preference share together with an annual interest on such amount of ten (10) per cent to be calculated daily from the day of the preceding Annual General Meeting up to and including the day of distribution.
- B. Secondly, to the extent that distributable funds remain after distribution in accordance with item A above, each ordinary share shall receive up to the same amount together with interest as the preference share in accordance with item A above.
- C. Thirdly, to the extent that distributable funds remain after distribution in accordance with items A and B above, these funds shall be distributed equally to all shares regardless of class. However, in such case each C-share shall not receive a higher amount than an amount equal to the quotient value of the share adjusted upwards by an interest factor equal to STIBOR 30 days plus one (1) additional percentage unit from the day of payment of the subscription price for the share until the distribution is made, with STIBOR 30 days determined the first time at the day of payment of the subscription price.

If the number of issued preference shares or ordinary shares is changed by a resolution on a bonus issue or a resolution on split or consolidation of shares, the amount that the preference shares and the ordinary shares, respectively, are entitled to according to this § 14 shall be adjusted accordingly.

Translation

Statement of the Board of Directors of Swedbank AB according to Chapter 19 Section 22 of the Companies Act with reference to the proposals according to item 17 (acquisition of own shares pursuant to the Securities Market Act), item 18 (authorisation on acquisition of own shares), item 19b and 20c (authorisation on acquisition of own shares with reference to performance and share based remuneration programs for 2010 and 2011) of the proposed Agenda for the Annual General Meeting on 25 March 2011

With reference to the Board of Directors proposals as per above, the Board of Directors hereby submits the following statement.

The financial position of the bank and the Group as per 31 December 2010 is presented in the Annual Report for the financial year 2010. The principles used for valuation of assets and liabilities are also found therein.

Swedbank financial companies group's core Tier 1 capital ratio according to Basel 2 as per 31 December 2010 was 13.9 percent. The Swedbank financial companies group's capital base exceeded the legal capital requirement by SEK 39 652m as of year-end. Excess capital in Swedbank AB, the parent company, was SEK 52 391m. The new Basel rules on capital, Basel 3, are estimated to have a negative impact on Swedbank's core Tier 1 capital ratio of approximately 50bp.

The nature and scope of the business are set out in the Articles of Association and the submitted Annual Report for the financial year 2010. The business conducted in the bank and the Group involves no risks beyond what occur and are assumed to occur in the industry or the risks which are associated with conducting business activities.

The Board of Directors has considered the bank's and the Group's need for consolidation by a comprehensive assessment of the bank's and the Group's financial position and the bank's and the Group's ability to meet its long-term obligations.

The financial position of the bank and the Group does not give rise to any other assessment than that the bank and the Group can continue their business and that the bank and the Group can be expected to meet their liabilities both in the short and long-term perspective as well as having the ability to make the investments deemed necessary. It is the assessment of the Board of Directors that the size of the equity, even after the proposed measures, is reasonable in proportion to the scope of the bank's and the Group's business and the risks associated with conducting the business.

With reference to the above, and what has otherwise come to the attention of the Board of Directors, it is the assessment of the Board of Directors that the resolution regarding acquisition of own shares pursuant to the Securities Market Act and the proposed authorizations are justifiable considering the demands with respect to the size of the bank's and the Group's equity which are imposed by the nature, scope and risks associated with the bank's and the Group's business, and the bank's and the Group's need to strengthen their balance sheets, liquidity and financial positions in general. In this respect, the proposed dividend of 4.80 for each preference share and 2.10 for each ordinary share has also been considered.

Stockholm in February 2011
Swedbank AB (publ)

The Board of Directors