

TRANSLATION

## Proposal of the Board of Directors of Swedbank AB on guidelines for remuneration to top executives in accordance with item 15 of the proposed Agenda for the AGM 2012

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

### Purpose and basic principles

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

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

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

### Decision procedures

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

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

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

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

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

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

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

### Top executives

In this context top executives is defined as 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.

### Principles for decisions on remuneration levels

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

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

When recruiting externally competence and experience shall also be considered.

### Principles for decisions on fixed remuneration and variable remuneration

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

### Fixed remuneration

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

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

*Pension.* Pension benefits shall generally be granted in accordance with rules, collective agreements and practice in the country where each respective 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 the pensionable income shall have a cap decided annually by the Board of Directors.

*Severance pay etc.* Generally, salary during notice period and severance pay shall correspond with rules, collective agreements and practice in the country where each respective 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. Total remuneration during notice period and the period when severance pay is due shall taken together not exceed a sum corresponding to the agreed fixed salary at the time of notice and benefits in accordance with the employment agreement during 12 months and the agreed fixed salary for 12 months.

For further details on fixed remuneration, see note G 12 to the bank's annual report for the most recent financial year.

### Variable remuneration

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

Five top executives, but none of the five highest paid top executives, participated during 2011 in the common performance and share based remuneration program ("Eken 2011") adopted by the AGM. The outcome of Eken 2011 to said top executives is expected to correspond to one month salary, which amount, under certain conditions, will be converted to ordinary shares in the bank during 2015 with further restrictions on disposal for part of such shares.

The Board of Directors has, subject to the approval of the Annual General Meeting 2012, resolved to establish a performance and share based remuneration program for 2012, Eken 2012, resting on mainly the same principles as Eken 2011 and including the same category of top executives as the one which participated in Eken 2011. For more information refer to the Notice of the AGM and the Board of Directors proposal.

### Total remuneration cost

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

### Remuneration previously resolved but not due

Information of the pension undertakings of the bank are set out in note G 12 to the bank's annual report for the most recent financial year.

Stockholm in February 2012

Swedbank AB (publ)

The Board of Directors

## The Board of Directors' of Swedbank AB proposal for a resolution on amendments to the Articles of Association in accordance with item 16 of the proposed Agenda for the AGM 2012

The Board of Directors proposes that section 3 ("Share capital etc") item "2. Mandatory conversion" first paragraph of the Articles of Association is changed to the following:

Current wording:

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.

Proposed wording:

2. Mandatory conversion

The Board of Directors is obliged to resolve to convert all preference shares into ordinary shares as soon as possible after the Annual General Meeting 2013, however, if applicable, not earlier than the day after the record day for the right to receive dividends, as resolved at said Annual General Meeting. At such time, the Board of Directors shall also establish and announce the record day for conversion.

The complete Articles of Association with the proposed new wording is attached 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 2012

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).

It shall be possible to issue three different classes of shares: ordinary shares, 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). 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, 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, 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 resolve to convert all preference shares into ordinary shares as soon as possible after the Annual General Meeting 2013, however, if applicable, not earlier than the day after the record day for the right to receive dividends, as resolved at said Annual General Meeting. At such time, the Board of Directors shall also establish and announce the record day for 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 as 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, 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.

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## Proposal of the Board of Directors of Swedbank AB on a) reduction of the share capital and b) bonus issue in accordance with item 17 of the proposed Agenda for the AGM 2012

### Background and Purpose

Swedbank AB holds, in addition to the limited holdings within the securities operations, 57 168 814 ordinary shares, 3 415 641 preference shares and 1 500 000 C-shares corresponding to 5.35 percent of total numbers of issued shares and 5.24 percent of total number of votes, repurchased during the period April up to September 2011 inclusive. The Board of Directors' opinion is that 33 000 000 ordinary shares are needed to secure the bank's commitment to deliver ordinary shares under the performance and share based remuneration programs for 2010, 2011 and 2012, in the latter case if the 2012 program is approved.

The Board of Directors is of the opinion that there is no reason for the bank to continue to hold the remaining 29 084 455 shares which have been repurchased. Consequently, the Board considers that these shares should be cancelled by reducing the share capital. With the consent of the Swedish Financial Supervisory Authority, a reduction in the bank's share capital may be carried out without the permission of the court if, at the same time as the reduction is made, the bank takes measures that ensure that neither the bank's restricted equity nor its share capital is reduced as a result of the decision to reduce. Such a measure can be to carry out a bonus issue by transferring a sum equivalent to the reduction amount to share capital from non-restricted equity. To obtaining an even quota value, the Board of Directors finally considers that the share capital should be increased by transferring a certain amount to share capital from the statutory reserve by way of bonus issue.

Against this background, the Board of Directors proposes the following:

### a) Reduction of share capital

The Board of Directors proposes that the AGM resolves to reduce the bank's share capital by SEK 610 773 555 following which the share capital will amount to SEK 23 772 120 162. The reduction will be carried out by cancelling, without repayment, 29 084 455 shares repurchased and held by the bank (1 500 000 C-shares, 3 415 641 preference shares and 24 168 814 ordinary shares). The amount of the reduction will be allocated to funds to be utilised pursuant to a resolution by a General Meeting of Shareholders in accordance with the proposal b) below. After the cancellation, the total number of shares in the bank will be 1 132 005 722, distributed on 941 021 303 ordinary shares and 190 984 419 preference shares, each with a quota value of SEK 21. If shareholders elects to convert preference shares

into ordinary shares during February 2012, the allocation between ordinary shares and preference shares will change. There will be no C-shares in the bank following the cancellation.

The Board of Directors further proposes that the resolution to reduce the share capital shall, be conditional on (i) the AGM passing the resolution in accordance with the Board's proposal of the bonus issue in accordance with b) below, which has the effect that neither the bank's restricted equity nor its share capital is reduced as a result of the decision on the reduction of the share capital, and (ii) on the consent of the Swedish Financial Supervisory Authority to the reduction being made without the permission of the court, in accordance with Chapter 10, Section 13 of the Banking and Financing Operations Act (2004:297).

#### The Board of Directors' report in accordance with Chapter 20, Section 13, fourth paragraph of the Swedish Companies Act

The effect of the Board of Directors' proposal is a reduction of the bank's share capital and thereby also the bank's restricted equity, by SEK 610 773 555 from SEK 24 382 893 717 to SEK 23 772 120 162. The bonus issue according to item 17 b) below results in a simultaneous increase of the share capital by SEK 610 773 555. By simultaneously with the reduction implementing a bonus issue with an amount that corresponds to the reduction amount, the bank may, subject to consent by the Swedish Financial Supervisory Authority, execute the resolution on reduction without approval from the court, since the measures taken together do not result in a reduction of the bank's restricted equity or share capital.

#### b) Bonus issue

The Board of Directors proposes that the AGM resolves that the bank's share capital be increased by SEK 1 132 005 722 of which a sum equivalent to the reduction in share capital in accordance with a) above, i.e. SEK 610 773 555 be transferred from non-restricted equity, and SEK 521 232 167 be transferred from the bank's statutory reserve as shown in the balance sheet adopted for the financial year 2011. The bonus issue will be carried out without any new shares being issued. After carrying out the bonus issue, the share's quota value will be SEK 22 (SEK 21 before the bonus issue). Subsequent to the bonus issue, the bank's share capital will amount to SEK 24 904 125 884 allocated on a total of 1 132 055 722 shares.

The Board of Directors further proposes that the AGM's resolution on the bonus issue shall (i) be conditional on the AGM adopting the resolution in accordance with the Board's proposal to reduce the share capital in accordance with a) above, and on (ii) the Swedish Financial Supervisory Authority consenting to the reduction taking place without the permission of the court in accordance with Chapter 10, Section 13 of the Banking and Financing Operational Act (2004:297).

The Board of Directors proposes that the Chair of the Board of Directors and the CEO are authorised jointly to make such minor adjustments to the AGM's decision in accordance with a) and b) above, as may be necessary in connection with registration with Bolagsverket (the Swedish Companies Registration Office) and Euroclear Sweden AB (the Swedish Central Securities Depository), and in conjunction with the application for the Swedish Financial Supervisory Authority's approval.

### Majority requirement

For a decision in accordance with the Board's proposal in accordance with a) above, it is required that the resolution of the AGM be supported by shareholders representing at least 2/3 of both the votes cast and of the shares represented at the meeting.

Stockholm in February 2012

Swedbank AB (publ)  
The Board of Directors

## 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 18 of the proposed Agenda for the AGM 2012

### 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, 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 AGM in 2011 decided to permit the bank, for the period up until the AGM in 2012, 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 AGM 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 AGM in 2013 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 AGM is supported by shareholders representing at least two-thirds both of the votes cast and of the shares represented at the Meeting.

Stockholm in February 2012

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 19 of the proposed Agenda for the AGM 2012

### Background and purpose

The bank's capitalisation is strong. Swedbank financial companies group's core Tier I capital ratio according to Basel 2 was 15.7 percent and the capital adequacy ratio was 18.9 percent as per 31 December 2011.

In November 2011 the Swedish government, jointly with the Riksbank and the Swedish Financial Supervisory Authority, announced new capital requirements for the systemically important Swedish banks. The new capital requirements, assumed to become effective 1 January 2013, has the effect that the bank's core Tier I capital ratio according to Basel 3 must be at least 10 percent 2013 and at least 12 per 2015, and that total capital at such point in times must be at least 3.5 percentage points higher. The bank is of the opinion that the implementation of Basel 3 will negatively affect core Tier I capital ratio with approximately 1 percentage point so it would have been 14.7 percent calculated as per 31 December 2011. Given the current revenue ability and knowledge on the new regulatory regime, the bank is of the opinion that the proposed requirements on core Tier I ratio both for 2013 and 2015 will be met without further capital injection.

The final design of the new capital adequacy rules is not yet ready. Further, the conditions for the bank's business as well as the external conditions are constantly changing. Hence, it may become desirable to increase or decrease the capital base or change the composition between core Tier I capital and other capital, for example by repurchase of the bank's own shares, issue of loans eligible for inclusion in the capital base or a combination of different measures. In accordance with item 20 of the proposed agenda, the Board of Directors proposes that the AGM, in addition to the authorization as set out below, authorize the Board of Directors to decide on issue of convertible debt instruments to be included in the capital base.

An authorization by the AGM to the Board of Directors to decide on acquisition of the bank's own shares is therefore justified as one of several measures to give the Board of Directors the possibility to continuously adapt the bank's capital structure to existing capital needs. A decision to acquire the bank's own shares will only be made if the Board of Directors is of the opinion that Swedbank long term has a core Tier I ratio that exceeds desirable levels and after the new capital requirements have been clarified.

### Conditions for acquisition of the bank's own shares

Based on the foregoing the Board of Directors proposes that the AGM authorises the Board of Directors to, during the period until the AGM 2013, 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 AGM 2013
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 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 AGM is supported by shareholders representing at least two-thirds both of the votes cast and of the shares represented at the Meeting.

Stockholm in February 2012

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 to issue convertible instruments, in accordance with item 20 of the proposed Agenda for the AGM 2012

### Background and purpose

The bank's capitalisation is strong. Swedbank financial companies group's core Tier I capital ratio according to Basel 2 was 15.7 percent and the capital adequacy ratio was 18.9 percent as per 31 December 2011.

In November 2011 the Swedish government, jointly with the Riksbank and the Swedish Financial Supervisory Authority, announced new capital requirements for the systemically important Swedish banks. The new capital requirements, assumed to become effective 1 January 2013, have the effect that the bank's core Tier I capital ratio according to Basel 3 must be at least 10 percent 2013 and at least 12 per 2015, and that total capital at such point in times must be at least 3.5 percentage points higher. The bank is of the opinion that the implementation of Basel 3 will negatively affect core Tier I capital ratio with approximately 1 percentage point so it would have been 14.7 percent calculated as per 31 December 2011. Given the current revenue ability and knowledge on the new regulatory regime, the bank is of the opinion that the proposed requirements on core Tier I capital ratio both for 2013 and 2015 will be met without further capital injection.

The final design of the new capital adequacy rules is not yet ready. Further, the conditions for the bank's business as well as the external conditions are constantly changing. Hence, it may become desirable to increase or decrease the capital base or change the composition between core Tier I capital and other capital, for example by repurchase of the bank's own shares, issue of loans eligible for inclusion in the capital base or a combination of different measures. In accordance with item 19 of the proposed agenda, the Board of Directors propose that the AGM, in addition to the authorization proposed below, authorize the Board of Directors to decide on acquisition of the bank's own shares.

According to the up-coming regulation a loan must, in order for it to be eligible for inclusion in the capital base, contain conditions to the effect either that the loan will be converted into shares if a predetermined trigger event occur, for example that the bank's core Tier I capital ratio drops below a certain level, or that the loan will be written down in accordance with corresponding conditions. Issue of debt instruments convertible into shares can only be made in accordance with the rules of the Swedish Companies Act of issue of convertible instruments. The purpose of this proposal is for the bank, without convening a General

Meeting of Shareholders, after decision by the Board of Directors, to be able to issue convertible instruments if considered necessary in order to effectively handle the capital base.

Issuance of convertible instruments may be used to strengthen the bank's capital situation in the event of future actual or anticipated financial difficulties. This should be advantageous also to current shareholders. Since such debt instruments would mainly be demanded by debt investors of the Swedish and international capital markets, they must be able to be offered with deviation from shareholders' preferential rights.

#### Conditions for issuance

Based on the foregoing the Board of Directors proposes that the AGM authorises the Board of Directors, during the period until the AGM 2013, to resolve on issuance of convertible instruments as set out below:

1. The authorisation may be utilised on one or several occasions prior to the AGM 2013
2. The issue may comprise a deviation from shareholders' preferential rights
3. The convertible instruments shall mandatorily convert into ordinary shares at the conditions stated in the terms and conditions of the debt instruments but not be convertible at the option of the holders
4. Loan amounts and conditions for conversion shall be set so that the total number of ordinary shares which may be issued upon conversion of convertible instruments, by virtue of this authorisation, may not exceed 100 000 000 or the corresponding number due to any bonus issue, rights issue, conversion of convertible instruments, split or reversed share split or similar corporate events
5. The Board of Directors resolves on all other terms and conditions for issue according to this authorisation

#### Majority requirement

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

Stockholm in February 2012

Swedbank AB (publ)  
The Board of Directors

TRANSLATION

## Proposal to approve the resolution of the Board of Directors of Swedbank AB regarding a common performance and share based remuneration program 2012 according to item 21a) in accordance with the proposed agenda at the AGM 2012

The Board of Directors of Swedbank has resolved on a common performance and share based remuneration program for 2012 ("Eken 2012"), subject to the AGM's subsequent approval, according to what is set out in the following.

### Purpose and main features

Eken 2012 aims to:

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

Eken 2012 shall be aligned to the bank's business strategy, promote a sound and effective risk management and discourage excessive risk taking.

In essence, Eken 2012 means that to the extent certain performance targets ("Performance Targets") are achieved during the financial year 2012 ("Performance Year") the participants in Eken 2012 ("Participant or Participants") are awarded a variable remuneration in the beginning of 2013 ("Share Amount"), which is intended to be allotted in the form of conditional, non-transferable rights ("Performance Rights"). Each Performance Right carries a right in 2016, after the publication of the year-end report, to receive automatically and at no cost one ordinary share in Swedbank ("Performance Share"). For the executive management (i.e. the Group Executive Committee "GEC") half of the Performance Rights may be subject to restrictions of disposal to comply with regulatory or other requirements.

The duration is approximately four years, with accrual during the Performance Year. After the expiry of the Performance Year allotment of the Share Amount may occur followed by a deferral period of three years before final transfer of Performance Shares is expected to occur 2016, after the publication of the year-end report for 2015 and before the end of June.

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

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

### Participants

Approximately 15 100 of a total of approximately 16 300 employees of the Swedbank Group ("Group") are included. Also the top executives of GEC who at each time report to the bank's CEO are included with the exception mentioned below.

The CEO himself and the additional four members of GEC who are subject to the bank's undertakings according to a guarantee agreement with the government are excluded. Units that are also excluded are amongst others Russia and Ukraine and the joint venture company Entercard. Staff working with any of these units may be included.

Participants that during the duration 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. Participants who enter leave of absence, parental leave, sick leave or similar during the Performance Year and remain employed have the right to continue to participate, subject to individual adjustments of the terms and conditions. Participants who have received allotment of a Share Amount and after the allotment enter leave of absence, parental leave, sick leave or similar and remain employed or retire have the right to continue to participate. The Board of Directors' Remuneration Committee ("RemCo") or Group Executive Committee's Remuneration Committee ("GEC RemCo"), if RemCo so decides, may deviate from the distinctions above both as general principles or in individual cases.

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

### Performance Targets and Share Amount

The allotment of the Share Amount, i.e. the outcome for each Participant is 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, adopted based on the following criteria:

- The profit after tax adjusted for capital costs and risks, for the Group<sup>1</sup>,
- The outcome for the Participant under the bank's performance development process which also comprises assessing a number of behaviors linked to the Group's values – open, simple and caring.
- The outcome of the bank's risk assessment which may be made at Group level and/or business area level and/or individual level.

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<sup>1</sup> The profit, adjusted for capital costs and risks is measured as Economic Profit ("EP"). A prerequisite for allocation is a positive EP on Group level.

After the Performance Year an individual Share Amount is determined for each Participant based on the assessment of the extent to which the Performance Targets have been achieved.

The final assessment of the extent to which the Performance Targets have been achieved is made on a discretionary basis by the Board of Directors, or by a person authorized by the Board of Directors. The result of the assessment can be (i) that the total allotment is limited, in whole or in part, at Group level (so called haircut) and/or (ii) that re-allocation may occur to the detriment of individuals considered not to have performed sufficiently compared to individual Performance Targets to the benefit of individuals with excellent performance compared to Individual Performance Targets. Consequently, there is no automatic right to allotment of any Share Amount even if the Performance Targets, in whole or in part, could be considered to have been achieved.

The maximum Share Amount for an individual Participant (where appropriate after a recalculation from local currency to SEK at the exchange rate on 31 December 2012) is normally limited to 1.5 months' salary for Participants employed in Sweden and 3 months' salary for Participants employed outside Sweden, in both cases of the agreed base salary for the Performance Year (as of December 2012), unless re-allocation occurs as described in the immediately preceding paragraph. If maximum re-allocation is made the maximum Share Amount corresponds to three times the above mentioned limitations.

The total Share Amount for Participants in Eken 2012 is limited to approximately SEK 783 m.

The Share Amount is paid by allotment of Performance Rights. The allotment of Performance Rights is expected to occur during the spring 2013.

### Performance Rights

The Share Amount is converted into a number of Performance Rights, rounded off to the nearest whole number, by dividing the Share 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 2013 (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 amounts to a maximum of approximately 15.7m<sup>2</sup>, which equals the quotient of (a) the highest aggregate Share 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 approximately 7.8m<sup>3</sup>.

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

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<sup>2</sup> excluding anticipated dividend compensation and adjustment for forfeited Performance Rights

<sup>3</sup> excluding anticipated dividend compensation and adjustment for forfeited 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 deferral period 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 deferral period, the number of Performance Rights held by each Participant on such record day shall be adjusted by multiplying such number of Performance Rights by an adjustment factor, which shall be calculated according to the following. The adjustment factor shall be the sum of  $(1+K)$ , where  $K$  is the quotient of the resolved cash dividend amount per ordinary share (expressed in SEK) divided by the average daily volume weighted price paid per ordinary share (expressed in SEK) at NASDAQ OMX Stockholm during the ten trading days occurring from and including the second business day prior to the relevant record day until and including the seventh trading day after the record day.

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

Each Performance Right carries a conditional right to receive at no cost and automatically one Performance Share in 2016, in accordance with what is set out in the following.

#### Transfer of Performance Shares

Each Performance Right held by a Participant bestows a conditional right to receive in 2016, after the publication of the year-end report for 2015, automatically and at no cost one Performance Share. The conditions for receiving a Performance Share are firstly, as a general rule, that the Participant at the delivery of the Performance Share has not given or received notice to leave or left the Group for any other reason, and secondly, the conditions stated below.

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

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

The Board of Directors, or RemCo after authorization by the Board of Directors, shall prior to and in close proximity to each transfer of Performance Shares under Performance Rights evaluate whether and to which extent the stated conditions are fulfilled. If not all the conditions are considered to be fulfilled, the Board of Directors or, RemCo, has the right, at its own discretion, to unilaterally change the terms and conditions for Eken 2012 as the Board of Directors or, RemCo, deems appropriate and in this context for example in whole or in part declare outstanding Performance Rights forfeited, meaning that fewer or no Performance Shares at all will be transferred to the Participant. A decision of such change shall be publicly announced no later than in connection with the bank's first financial report following the decision.

### Hedging

Swedbank is, subject to certain conditions, committed to ensure that ordinary shares are transferred at no cost to the Participants. The Board of Directors has considered different arrangements as to how such commitment should be hedged. The Board of Directors observes that the bank holds repurchased own shares.

Thus, the Board of Directors is of the opinion that the most efficient and flexible method is to transfer repurchased shares at no cost with deviation from the shareholders' preferential rights to the Participants and where applicable also to participants in previous remuneration programs decided by a General Meeting of Shareholders' in Swedbank.

The Board of Directors thus is of the opinion that the AGM should resolve to transfer ordinary shares at no cost to entitled Participants according to the immediately preceding paragraph, directly or where applicable through the bank's subsidiaries or to an external party engaged by the Board of Directors for this purpose and to transfer ordinary shares at NASDAQ OMX Stockholm, if the Board of Directors deems necessary, to cover certain costs in connection with Eken 2012, in particular social security costs. For further information please refer to the proposal item 21c) below.

If the AGM does not approve of the mentioned proposal in accordance with the preceding paragraph, the Board of Directors intends to hedge the bank's commitment to deliver of ordinary shares according to Eken 2012, in whole or in part, by way of an agreement (equity swap agreement, certificate or similar) with a financial institution, which according to such agreement will in its own name acquire and transfer to the Participants ordinary shares in Swedbank.

### Estimated costs

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

The total cost corresponds to the Share Amount with deductions for forfeited Performance Rights due to the fact that Participants during the duration give or receive notice to leave or by any other reasons leave the Group. The cost is thus adjusted for forfeited Performance Rights, i.e. for accrual conditions that are not market conditions. The cost is not adjusted for market conditions, such as the fluctuation of the real value of the Performance Rights between the time of valuation and when the Participant receives Performance Rights 2013 or as a consequence of the Participant receiving additional Performance Rights as dividend compensation. In addition, social security costs and ancillary salary costs are also treated as staff costs. Furthermore, there

are corporate tax effects mainly due to that the staff costs and the social security costs etc are deductible.

The maximum cost for the Share Amount amounts to approximately SEK 783m, which corresponds to 0.7 percent of Swedbank's market value as of 31 January 2012. The estimated value of the Share Amount amounts to approximately SEK 365m, which corresponds to 0.3 percent of Swedbank's market value as of 31 January 2012.

The maximum annual cost in the income statement is expected to be approximately SEK 188m. The estimated annual cost in the income statement amounts to approximately SEK 88m.

The estimates above are standardized and based upon an achievement of the Performance Targets corresponding to almost 50 percent of the total Share Amount. Further, the estimates take into account on a standardized basis cost-reducing and cost-increasing factors under the circumstances, such as employee turnover and dividend compensation.

The social security costs, which are deductible, are recognized in the income statement. The costs are depending on the market value of the Performance Shares at the time of delivery in 2016. The corporate tax is normally affected by the market value of the Performance Shares at said point in time, since the market value as a rule is deductible when calculating the corporate tax. The corporate tax effects which corresponds to each respective country's corporate tax rate - calculated on the recognized cost for the Performance Rights, social security costs and other ancillary salary costs - are recognized in the income statement. Additional corporate tax effects are recognized directly in equity. The calculations take into account differences in tax rules in various countries.

#### Dilution and effect on key ratios

The total number of Performance Rights which may be allotted to the Participants amounts to a maximum of approximately 15.7m<sup>4</sup>. 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 approximately 7.8m.

If Swedbank's estimated maximum commitment<sup>5</sup> is hedged by way of a transfer of held own shares acquired by virtue of authorization from the AGM this would result in a total dilution of approximately 1.4 percent in relation to the outstanding number of shares and votes as of 31 December 2011.

The dilution is expected to have a marginal impact on the Group's key ratios, also when considering the proposed individual program for 2012 (according to Item 21b) below).

If Swedbank's commitment is hedged by way of an agreement (equity swap agreement, certificate or similar) with a financial institution, which according to such agreement will in its own name acquire and transfer to the Participants ordinary shares in Swedbank, Eken 2012 will not have any dilutive effect, since no new outstanding shares will be added.

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<sup>4</sup> excluding anticipated dividend compensation and adjustment for forfeited Performance Rights

<sup>5</sup> excluding anticipated dividend compensation and adjustment for forfeited Performance Rights

## Taxation

### *Taxation of Participants*

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

For participants in other countries than Sweden the value of the fringe benefit will normally be taxed as income from employment.

### *Taxation of the bank*

In Sweden, 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. 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.

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

### Preparation of the program etc.

The proposal for Eken 2012 has been prepared by RemCo. The Board of Directors' overall assessment is that Eken 2012 creates a uniform and sustainable system for variable remuneration within the Group and will motivate to long-term creation of value by aligning the interests of the employees with the shareholders' interests.

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

The Group has share-based programs both for 2010 and 2011 approved by the AGM.

The common program from last year has been evaluated. As a result Eken 2012 is proposed to, with the following main deviations compared to last year, i) to have a deferral period of three years (previously 2 and 3 years), ii) have an estimated cost corresponding to almost 50 percent of the maximum cost (previously 80 percent) and iii) the capital and risk adjusted profit will only be measured at Group level (previously also on business area level). Eken 2012 will also be assessed prior to next year's AGM 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 Financial Supervisory Authority (Sw. *Finansinspektionen*) issues rules and regulations regarding remuneration systems which comprise Swedbank. It may be necessary to adjust the design of Eken 2012 with regard to any amendments to such rules and regulations.

The Board of Directors, or RemCo, if so decided by the Board of Directors, has the right to adjust Eken 2012 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 Eken 2012. The Board of Directors, or RemCo, if so decided by the Board of Directors, has the right to resolve on the detailed terms and conditions for Eken 2012, based on the principles for the program as they appear in this resolution.

#### The Board of Directors' proposal to the AGM

The resolution by the Board of Directors to establish Eken 2012 is adopted subject to the AGM's subsequent approval.

Due to the above, the Board of Directors proposes that the AGM resolves to approve the resolution of the Board of Directors to establish Eken 2012.

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

If the AGM does not approve the Board of Directors' resolution, the Board of Directors may instead resolve on a common program for variable remuneration with cash remuneration only, from which, where appropriate and considering the individual program (see 21b) below), categories of Participants that according to regulatory requirements may not be comprised by a purely cash based remuneration program may be excluded. Such a decision could result in that Eken 2012 will become a purely cash based program with a certain part as deferred cash remuneration.

Stockholm in February 2012

Swedbank AB (publ)  
The Board of Directors

## TRANSLATION

## Proposal to approval of the resolution of the Board of Directors of Swedbank regarding deferred variable remuneration in the form of shares under an individual performance and share based remuneration program 2012 according to Item 21b) in accordance with the proposed agenda at the AGM 2012

The Board of Directors of Swedbank has resolved on an individual performance and share based remuneration program for 2012, a part of which is intended to be allotted in the form of shares and the balance in cash ("IP 2012"). The part of the resolution regarding deferred variable remuneration in the form of shares has been adopted subject to the AGM's subsequent approval.

### Purpose and main features

IP 2012 aims to:

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

IP 2012 shall be aligned to the bank's business strategy, promote a sound and effective risk management and discourage excessive risk taking.

In essence, IP 2011 means that to the extent certain performance targets ("Performance Targets") are achieved during the financial year 2012 (the "Performance Year") the participants in IP 2012 (the "Participant" or the "Participants") are allotted a variable remuneration in the beginning of 2013 (the "Gross Performance Amount"), a part of which (the "Share Amount") is intended to be allotted in the form of conditional, non-transferable rights ("Performance Rights"). Each Performance Right carries a right in 2016, after the publication of the year-end report, to receive automatically and at no cost one ordinary share in Swedbank ("Performance Share").

The duration is approximately four years, with accrual during the Performance Year. After the expiry of the Performance Year allotment of the Gross Performance Amount may occur followed by a deferral period of three years before final transfer of the Performance Shares is expected to occur 2016 after the publication of the year-end report for 2015 and before the end of June.

Deferred variable remuneration in the form of shares is not pensionable income however the cash component is.

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

### Participants

Approximately 800 employees in the Swedbank-Group (the "Group") in positions of direct importance for creating revenues and sustainable shareholder value to make further efforts are eligible.

However, top executives are not included, i.e. the top executives of GEC who at each time report to the bank's CEO. Units that are also excluded are amongst others Russia and Ukraine and the joint venture company Entercard. Staff working with any of these units may be included.

Participants that during the duration 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. Participants who enter leave of absence, parental leave, sick leave or similar during the Performance Year and remain employed have the right to continue to participate, subject to adjustments of the terms and conditions. Participants who have received allotment of the Gross Performance Amount and after the allotment enter leave of absence, parental leave, sick leave or similar and remain employed or retire have the right to continue to participate. The Board of Directors' Remuneration Committee ("RemCo") or Group Executive Committee's Remuneration Committee ("GEC RemCo"), if RemCo so decides, may deviate from the distinctions above both as general principles or in individual cases.

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

### Performance targets and Gross Performance Amount

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

- The profit after tax, adjusted for capital costs and risks, for the Group<sup>1</sup>.
- 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 based on assessing the outcome for the Participant under the bank's performance process comprising both

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

financial as well as operational factors are evaluated. The evaluation also comprises a number of behaviors linked to the Group's values – open, simple and caring.

- The outcome of the bank's risk assessment at Group level and/or business area level and/or individual level.

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

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

#### Share Amount etc.

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

The total Share Amount for all Participants is limited to a maximum of approximately SEK 227m.

The Share Amount is paid by allotment of Performance Rights. The allotment of Performance Rights is expected to occur during the spring 2013.

The difference between the Share Amount and the Gross Performance Amount, i.e. normally 60 percent of the Gross Performance Amount, is intended to be paid in cash to the respective Participants during the first half-year of 2013.

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 Amount will be a higher portion of the Gross Performance Amount than 40 percent and also to make adjustments in any other manner to the distribution of the Gross Performance Amount on *partly* remuneration consisting of shares and cash, and on deferred remuneration and not deferred remuneration.

#### Performance Rights

The Share Amount is converted into a number of Performance Rights, rounded off to the nearest whole number, by dividing the Share 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 2013 (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*

*alio*, 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 approximately 4.5m<sup>2</sup>, which equals the quotient of (a) the highest aggregate Share 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 approximately 2.3m<sup>3</sup>.

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

A Performance Right does not carry any right to dividends or other shareholders' rights during the deferral period of the Performance Right. However, dividend compensation is paid on the underlying Performance Share during the deferral period 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 (expressed in SEK) at NASDAQ OMX Stockholm during the ten trading days occurring from and including the second business day prior to the relevant record day until and including the seventh trading day after the record day.

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

Each Performance Right carries a conditional right to receipt at no cost and automatically of one Performance Share in 2016, in accordance with what is set out in the following.

#### Transfer of Performance Shares

Each Performance Right held by a Participant bestows upon the Participant a conditional right to receive in 2016, after the publication of the year-end report for 2015, automatically and at no cost, one Performance Share. The conditions for receiving a Performance Share are firstly, as a general rule, that the Participant at the delivery of the Performance Share has not given or received notice to leave or left the Group for any other reason, and secondly, the 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:

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<sup>2</sup> excluding anticipated dividend compensation and adjustment for forfeited Performance Rights

<sup>3</sup> excluding anticipated dividend compensation and adjustment for forfeited Performance Rights

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

The Board of Directors, or RemCo after authorization by the Board of Directors, shall prior to and in close proximity to each transfer of Performance Shares 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 or, RemCo, has the right, at its own discretion, to unilaterally change the terms and conditions within the framework of IP 2012 as the Board of Directors or, RemCo, deems appropriate and in this context for example in whole or in part declare outstanding Performance Rights forfeited, meaning that a fewer number or no Performance Shares at all will be transferred to the Participant. A decision of such change shall be publicly announced no later than in connection with the bank's first financial report following the decision.

### Hedging

Swedbank is, subject to certain conditions, committed to ensure that ordinary shares are transferred at no cost to the Participants. The Board of Directors has considered different arrangements as to how such commitment should be hedged. The Board of Directors observes that the bank holds repurchased own shares.

Thus, the Board of Directors is of the opinion that the most efficient and flexible method is to transfer repurchased shares at no cost with deviation from the shareholders' preferential rights to the Participants and where applicable also to participants in previous remuneration programs decided by a General Meeting of Shareholders' in Swedbank.

The Board of Directors thus is of the opinion that the AGM should resolve to transfer ordinary shares at no cost to entitled Participants according to the immediately preceding paragraph, directly or where applicable through the bank's subsidiaries or to an external party engaged by the Board of Directors for this purpose and to resolve to transfer ordinary shares at NASDAQ OMX Stockholm, if the Board of Directors deems appropriate, to cover certain costs in connection with IP 2012, in particular social security costs. For further information please refer to the proposal item 21c) below.

If the AGM does not approve of the mentioned proposal in accordance with the preceding paragraph, the Board of Directors intends to hedge the bank's commitment to deliver ordinary shares according to IP 2012, in whole or in part, by way of an agreement (equity swap agreement, certificate or similar) with a financial institution engaged for this particular purpose, which according to such agreement will in its own name acquire and transfer to the Participants ordinary shares in Swedbank.

#### Estimated costs for the share part of IP 2011

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

The total cost corresponds to the Share Amount with deductions for forfeited Performance Rights due to the fact that Participants during the duration give or receive notice to leave or by any other reasons leave the Group. The cost is thus adjusted for forfeited Performance Rights, i.e. for accrual conditions that are not market conditions. The cost is not adjusted for market conditions, such as the fluctuation of the real value of the Performance Rights between the time of valuation and when the Participant receives Performance Rights 2013 or as a consequence of the Participant receiving additional Performance Rights as dividend compensation. In addition, social security costs and ancillary salary costs are also treated as staff costs. Furthermore, there are corporate tax effects mainly due to that the staff costs and the social security costs etc are deductible.

The maximum costs for the Share Amount amounts to approximately SEK 227m, which corresponds to 0.2 percent of Swedbank's market value as of 31 January 2012.

The estimated value of the Share Amount amounts to approximately SEK 76m, which corresponds to 0.1 percent of Swedbank's market value as of 31 January 2012.

The maximum annual cost in the income statement is expected to be approximately SEK 54m. The estimated annual cost in the income statement amounts to approximately SEK 18m.

The estimates above are standardized and based upon an achievement of the Performance Targets corresponding to almost 35 percent of the total Share Amount. Further, the estimates take into account on a standardized basis cost-reducing and cost-increasing factors under the circumstances such as employee turnover and dividend compensation.

The social security costs, which are deductible, are recognized in the income statement. The costs are depending on the market value of the Performance Shares at the time of delivery year 2016. The corporate tax is normally affected by the market value of the Performance Shares at said point in time, since the market value as a rule is deductible when calculating the corporate tax. The corporate tax effects which corresponds to each respective country's corporate tax rate - calculated on the recognized cost for the Performance Rights, social security costs and other ancillary salary costs - are recognized in the income statement. Additional corporate tax effects are recognized directly in equity. The calculations take into account differences in tax rules in various countries.

### Dilution and effect on key ratios

The total number of Performance Rights which may be allotted to the Participants amounts to a maximum of approximately 4.5m<sup>4</sup>. 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 approximately 2.3m.

If Swedbank's estimated maximum commitment<sup>5</sup> is hedged by way of a transfer of held own shares acquired by virtue of authorization from the AGM this would result in a total dilution of approximately 0.4 percent in relation to the outstanding number of shares and votes as of 31 December 2011.

The dilution is expected to have a marginal impact on the Group's key ratios, also when considering the proposal of Eken 2012 (according to Item 21a) above).

If Swedbank's commitment is hedged by way of an agreement (equity swap agreement, certificate or similar) with a financial institution, which according to such agreement will in its own name acquire and transfer to the Participants ordinary shares in Swedbank, IP 2012 will not have any dilutive effect, since no new outstanding shares will be added.

### Taxation

#### *Taxation of Participants*

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

For participants in other countries than Sweden the value of the fringe benefit will normally be taxed as income from employment.

#### *Taxation of the bank*

In Sweden, 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. 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.

In countries outside Sweden the bank normally is entitled to full deduction for the recognized cost and is obliged to pay social security costs for the transfer of the Performance Shares based

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<sup>4</sup> excluding anticipated dividend compensation and adjustment for forfeited Performance Rights

<sup>5</sup> excluding anticipated dividend compensation and adjustment for forfeited Performance Rights

on the market value hereof. In some of the countries outside Sweden the deduction of and payment of social security costs can be treated differently depending on the tax legislation in the country in question.

#### Preparation of the program etc.

The proposal for IP 2012 has been prepared by RemCo. The Board of Directors' overall assessment is that IP 2012 will motivate the employees eligible to further efforts which will result in long-term creation of value by aligning the interests of the employees with the shareholders' interests.

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

The Group has share-based programs both for 2010 and 2011 approved by the AGM.

The individual programs for 2010 and 2011 have been evaluated. As a result the number of participants has been reduced to approximately 800 and IP 2012 comprises only individuals in positions of direct importance for creating revenues and where variable remuneration is considered to motivate to further efforts. IP 2012 will also be assessed prior to next year's AGM 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 Financial Supervisory Authority (*Sw. Finansinspektionen*) issues rules and regulations regarding remuneration systems which comprise Swedbank. It may be necessary to adjust the design of IP 2012 with regard to any amendments to such rules and regulations.

The Board of Directors, or RemCo, if so decided by the Board of Directors, has the right to, if necessary, adjust IP 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 2012. The Board of Directors, or RemCo, if so decided by the Board of Directors, has the right to resolve on the detailed terms and conditions for IP 2012, based on the principles for the program as they appear in this resolution.

#### The Board of Directors' proposal to the AGM

The part of the resolution by the Board of Directors regarding IP 2012 that a part of the variable remuneration under the program shall be deferred and paid in the form of shares is adopted subject to the AGM's subsequent approval.

Due to the above, the Board of Directors proposes that the AGM resolves to approve the resolution of the Board of Directors regarding deferred variable remuneration in the form of shares under IP 2012.

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

If the AGM does not approve the share part of the Board of Directors' resolution, the Board of Directors may instead resolve on an individual program for variable remuneration with cash remuneration only, from which, where appropriate and considering Eken 2012 (see 21a) 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 could 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 2012

Swedbank AB (publ)  
The Board of Directors

## TRANSLATION

## The Board of Directors of Swedbank AB proposal for a resolution of transfer of ordinary shares according to Item 21c) in accordance with the proposed agenda at the AGM 2012

### Background

As set out in the Board of Directors' resolutions regarding a common and an individual performance and share based remuneration program for 2012 ("Eken 2012" and "IP 2012" respectively, and together referred to as "Program 2012"), the Board of Directors is of the opinion that the most efficient and flexible method to secure Swedbank's commitment to deliver ordinary shares under

- a) Program 2012, and
- b) Previous common and individual performance and share based remuneration programs within the Swedbank Group, provided that such performance and share based remuneration programs, in whole or in part, have been resolved by or adopted subject to subsequent approval by a General Meeting of shareholders' of Swedbank ("Previous Programs"),

is to, with deviation from the shareholders' preferential rights, at no cost, transfer repurchased own ordinary shares held by Swedbank to entitled participants in Program 2012 and in Previous Programs.

The calculation of the number of ordinary shares that are allowed to be transferred in accordance with the proposal in d) below is based on maximum allocation of so called Performance Rights to entitled participants in Program 2012 and factual allocation of so called Performance Rights to entitled participants in Previous Programs. Further, said number of ordinary shares also comprises a buffer for the right to compensation for dividends during the deferral periods in accordance with Program 2012 and Previous Programs.

### Transfer of own ordinary shares

The Board of Directors proposes that the AGM resolves that:

- a) Ordinary shares, which by virtue of authorization of repurchase of own shares, have been acquired on NASDAQ OMX Stockholm, may, with deviation from the shareholders' preferential rights, at no cost be transferred to:
  - i. entitled participants in Program 2012 ("Participants"),
  - ii. entitled participants in Previous Programs, and
  - iii. subsidiaries within the Swedbank Group and, where applicable, an external party engaged by the Board of Directors for this purpose, whereas such subsidiaries and

if applicable such external party shall be obliged to immediately and at no cost transfer ordinary shares to the Participants and where appropriate also to entitled participants in Previous Programs

- b) furthermore, ordinary shares may be transferred at NASDAQ OMX Stockholm for the purpose of covering certain costs in connection with Program 2012 or Previous Programs, in particular social security costs and other ancillary salary costs. Such transfer shall be made at a price within the prevailing spread for the ordinary share at NASDAQ OMX Stockholm and be carried out prior to the Annual General Meeting 2013
- c) transfer of shares according to a) above shall be made at no cost to Participants and entitled participants in Previous Programs and in accordance with the conditions on which Participants and entitled participants in Previous Programs are entitled to receive ordinary shares, after the publications of the year-end report for the financial year 2015 or the equivalent point in time regarding Previous Programs, however no later than within eleven months from the publication of the respective year-end report
- d) transfer of shares according to a) and b) above may not exceed 33 000 000 ordinary shares (or such adjusted higher number of ordinary shares which may be a result of a bonus issue, share split or corresponding corporate events)

The reason for the deviation of the shareholders' right is to ensure delivery of ordinary shares to the Participants and entitled participants in Previous Programs and to cover certain costs in connection with Program 2012 or Previous Programs, in particular social security costs and other ancillary salary costs.

Transfer of the maximum amount of ordinary shares 33 000 000 would result in a total dilution of approximately 3.0 percent in relation to the outstanding number of shares and votes as of 31 December 2011.

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

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

The Board of Directors' proposals as per above are conditional upon the resolution of the Board of Directors regarding Eken 2012 and/or deferred variable remuneration in the form of shares under IP 2012 having been approved by the AGM.

If the AGM does not approve of the proposals as per above, the Board of Directors intends to hedge the bank's commitment to deliver ordinary shares, in whole or in part, for Program 2012 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 2012

Swedbank AB (publ)  
The Board of Directors