

TRANSLATION

## **Proposal of the Board of Directors of Swedbank AB for a resolution regarding transfer of own shares in accordance with item 22 c) in the proposed agenda at the AGM 2018**

### **Background**

As set out in the Board of Directors' resolutions regarding a common and an individual performance and share based remuneration program for 2018 ("Eken 2018" and "IP 2018", and together referred to as "Program 2018"), different methods for hedging the commitments are available to the bank. Considering that the bank holds an amount of own repurchased shares – which the Board of Directors deems sufficient to also hedge the bank's commitment in relation to Program 2018 – the Board of Directors proposes that Swedbank's commitment under

- a) Program 2018, and
- b) previous common and individual performance and share based remuneration programs within the Swedbank Group, resolved by or adopted subject to subsequent approval by a General Meeting of shareholders' of Swedbank ("Previous Programs"),

is to be secured by the transfer, with deviation from the Shareholders' rights, at no cost, of own shares held by Swedbank to entitled participants in Program 2018 and in Previous Programs.

The calculation of the number of 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 2018 and actual allocation of so called Performance Rights to entitled participants in Previous Programs. Further, said number of shares also comprises a buffer for the right to compensation for dividends during the deferral periods in accordance with Program 2018 and Previous Programs.

### **Transfer of own shares**

The Board of Directors proposes that the AGM resolves that:

- a) Own shares held or repurchased by Swedbank by virtue of authorization to repurchase own shares, may, with deviation from the shareholders' preferential rights, at no cost be transferred to:
  - i. entitled participants in Program 2018 ("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, where such subsidiaries and if applicable such external party shall be obliged to immediately and at no cost transfer shares to the Participants and where appropriate also to entitled participants in Previous Programs;

- b) furthermore, own shares may be transferred at Nasdaq Stockholm for the purpose of covering certain costs in connection with Program 2018 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 share at Nasdaq Stockholm and be carried out prior to the Annual General Meeting 2019;
- 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 shares, during first half-year of 2019 and after the publication of the year-end report for the financial year 2021 (or 2023 for GEC) or the equivalent point in time regarding Previous Programs, however, not later than the end of June during the year in question when the delivery of the Performance Share shall occur;
- d) transfer of shares according to a) and b) above may not relate to more than 15,000,000 shares in aggregate (or such higher number of shares which may be a result of a bonus issue, share split or corresponding corporate events)

The reason for the deviation from the shareholders' preferential right is to ensure delivery of shares to the Participants and entitled participants in Previous Programs and to cover certain costs in connection with Program 2018 or Previous Programs, in particular social security costs and other ancillary salary costs.

Transfer of the maximum amount of shares (15,000,000) would result in a total dilution of approximately 1.3 per cent in relation to the outstanding number of shares and votes as of 31 December 2017.

The resolution on transfer of shares as per above replaces previous General Meeting's resolutions on transfer at no cost of 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 as stated above 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' proposal as per above is conditional upon the resolution of the Board of Directors regarding Eken 2018 and/or variable remuneration in the form of shares under IP 2018 having been approved by the AGM.

If the AGM does not approve the proposal as per above, the Board of Directors may, instead hedge the bank's commitment to deliver shares, in whole or in part, for Program 2018 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 shares in Swedbank.

Stockholm in February 2018

Swedbank AB (publ)  
The Board of Directors