

Proposal of the Board of Directors of Swedbank AB for a resolution authorizing the Board to decide on the acquisition of the bank's own shares according to item 19 in the proposed Agenda for the AGM 2019

Background and purpose

The current regulations on capital requirements introduced on 1 January 2014 mean that the bank's capital requirements were increased. Since their introduction the capital requirement regulations have been subject to additions and amendments that impact on the bank's capital requirement. The capital requirement regulations are expected to be subject to amendment in the future as well.

Given its current capitalization and earning capacity, the Board of Directors is of the opinion that the bank meets the regulatory capital requirements with an adequate buffer.

Further, the conditions for the bank's business as well as the external circumstances are constantly changing. The need can, therefore, arise to increase or reduce the capital base or change the relationship between Common Equity Tier 1 capital and other capital, for instance through repurchase of the bank's own shares, the issue of loans that may be included in the capital base or a combination of different measures.

For this reason, the authorization by the AGM for the Board of Directors to decide on the purchase of the bank's own shares is justified as one of several actions to enable the Board to continuously adapt the bank's capital structure to prevailing capital requirements.

As is made clear in item 20 in the proposed agenda, the Board of Directors proposes that the AGM in addition to this authorization also empowers the Board to decide on the issue of convertibles that may be included in the capital base.

As is made clear in item 21 c) in the proposed agenda, the Board of Directors proposes that repurchased shares may be transferred at no cost and in derogation of the shareholder's preferential rights to those participating in general and individual share and performance-based remuneration programs adopted by the AGM.

Section 17 of Chapter 19 of the Swedish Companies Act (2005:551) stipulates that a decision on the acquisition of a company's own shares that are traded on a regulated market has to be made by the AGM or, if the AGM so authorizes, by its Board of Directors. In addition, the approval by the competent authority, in the case of Swedbank Finansinspektionen (the Swedish Financial Supervisory Authority), is required for repurchase of the bank's own shares.

Conditions for the acquisition of the bank's own shares

In view of the above the Board of Directors proposes that the AGM authorize the Board to decide, during the period until the AGM in 2020, on the acquisition of the bank's own shares in Swedbank AB pursuant to the following conditions

1. Acquisition may only take place through purchases on Nasdaq Stockholm
2. The authorization may be utilized on one or several occasions before the AGM in 2020
3. The bank's total holding of its own shares (including shares acquired pursuant to item 18 in the proposed agenda) may not exceed one tenth of the total number of shares in Swedbank
4. Acquisitions may only be made at a price within the prevailing spread between highest bid price and the lowest ask price at the time of acquisition
5. Acquisition may only take place if Finansinspektionen has granted its approval

The statement by the Board of Directors pursuant to Section 22 of Chapter 19 of the Swedish Companies Act is issued separately and is attached to this proposal.

Majority requirement

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

Stockholm February 2019

Swedbank AB (publ.)
Board of Directors