

Information regarding the remuneration in Swedbank 2010

Information published in accordance to the Swedish Financial Supervisory Authority's
Regulations and General Guidelines (FFFs 2007:5)

Report on remuneration in Swedbank 2010

BACKGROUND

This report has been established in accordance with the Swedish Financial Supervisory Authority's (Finansinspektionens) Regulations and General Guidelines (FFFS 2007:5) on announcement of information regarding capital adequacy and risk management. The report describes Swedbank's view on remuneration and provides information on how variable and fixed remuneration is distributed within the group.

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1. Overall description of remuneration

A) GENERAL DESCRIPTION OF REMUNERATION IN SWEDBANK

Swedbank's overall view of remuneration is that it should, as far as possible, be individually designed and linked to the employee's contribution to the company's business activities, with a sound balance between fixed and variable remuneration. Swedbank considers that it is important that remuneration should stimulate actions to create value for the bank, as well as balanced risk-taking in order to generate long-term value for customers and shareholders.

Variable remuneration is linked to individual targets and the group's overall results. Regardless of whether or not targets are reached, the Board of Directors has the right to make a discretionary decision on the total amount, if any, payable as variable remuneration.

Swedbank differentiates between incentives for staff who are risk-takers and incentives for other staff, by deferring a larger share of the variable remuneration for risk-takers compared to other staff.

B) REMUNERATION POLICY AND THE DECISION-MAKING PROCESS

Remuneration policy

The Remuneration Policy is based on the insight that a successful and long-term business activity is based on all the staff supporting the values of the company.

The company's remuneration philosophy is that the total remuneration should be competitive and adjusted to the conditions on the market, and at the same time follow the company's values about simplicity, care and openness as well as supporting the company's goals, business strategy and vision regarding sustainability. The total remuneration should be designed in a way that encourages the staff to achieve individual targets and it should be set without consideration to gender, ethnicity, religion or other religious beliefs, functional disorder, sexual preference or age. Moreover the total remuneration should be designed with the purpose to guarantee the company's access to staff with the skills the company needs and costs adjusted to the company so that the total remuneration has the intended effect for the company.

In order for the company to be able to identify, measure, direct, report internally and control the risks its business involves in, the remunerations within the company should be designed so that they are compatible with and encourages efficient risk-management and counteract excessive risk-taking. Remunerations to individual employees must not counteract the company's long-term interests.

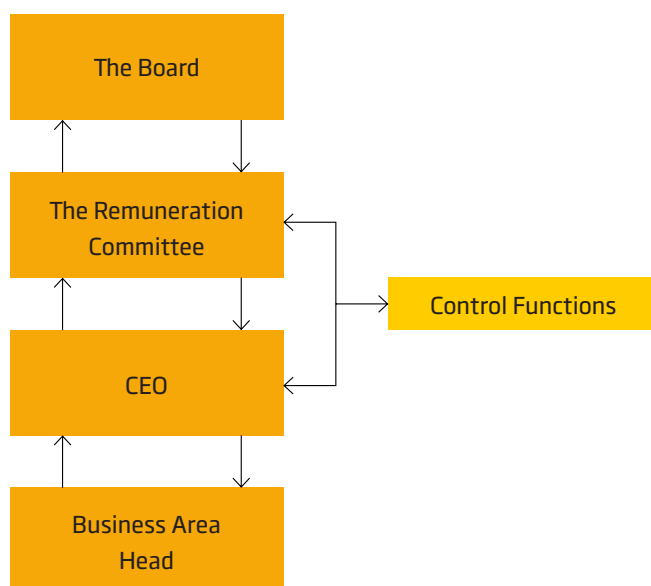
The Policy is reviewed on an annual basis and at other times as necessary. In connection with the adoption of the Policy the underlying risks were discussed.

Decision-making process, etc.

The principles for variable remuneration are set out in the Remuneration Policy adopted by the Board of Directors, which covers all employees within the group. Group HR is responsible for preparing policy proposals. The process for obtaining views on Remuneration Policy proposals conforms to the bank's internal rules for establishing

policies. The group management recommends proposals for submission to the Board of Directors for decisions. The Policy is prepared by the Remuneration Committee prior to a decision by the Board of Directors.

In order to ensure compliance with the Remuneration Policy, Swedbank has drawn up a work flow with a clear distribution of responsibilities, which is illustrated by the graphic below.



The Remuneration Committee is the committee of the Board of Directors which deals with matters concerning remuneration. The Board of Directors appoints the members of the committee. It consists of a minimum of two and a maximum of four board members. A majority of the committee's members must be independent from Swedbank and the group management. The Remuneration Committee prepares matters concerning remuneration prior to discussion and decisions by the Board of Directors. The Remuneration Committee also prepares matters concerning remuneration to be decided by the Annual General Meeting.

The CEO evaluates the fulfillment of targets in each business area and prepares decisions for the Board of Directors regarding payments.

The Business Area Heads provides the CEO with supporting documents for decisions in each business area.

Control functions consists of the Group functions of HR, Finance, Risk, Legal and Compliance. Their aim is to support the CEO and other decisions-makers in composing instructions and detailed provisions for the incentive structures within the Group. Some of the functions are also responsible for monitoring and reporting.

2. Description of remuneration outcome 2010

A) REMUNERATION OUTCOME 2010

Showed in the table below is the total outcome for expensed remuneration for 2010 divided into the categories senior executives, risk-takers and other staff according to the following. Senior executives refer to members of the group management as of 2010-12-31. Senior executives are in this context defined as the CEO of Swedbank and executives direct reporting to the CEO, who are also a part of the group management (Group Executive Committee).

Risk-takers have been defined from held position during 2010. This means that staff that has been classified as risk-takers some time during 2010 are showed as risk-takers in the table below.

Table 1 below describes:

- expensed remuneration divided into total annual remuneration, fixed and variable remuneration respectively and stating the number of people that have received fixed and variable remuneration respectively
- variable non-deferred remuneration in form of cash
- variable deferred remunerations in form of shares
- severance payments, guaranteed variable remuneration related to new recruitments, stating the number of people that have received severance payments and guaranteed remuneration respectively
- variable remuneration earned in 2009, paid out in 2010

Table 1. MSEK

| Swedbank Group | Senior Executives | Risk-takers | Other employees | Total |
|--|-------------------|-------------|-----------------|---------|
| Total annual compensation | 51.6 | 1 104.1 | 5 057.2 | 6 213.0 |
| Fixed compensation | 50.3 | 955.4 | 4 851.6 | 5 857.3 |
| % of total annual compensation | 97% | 87% | 96% | 94% |
| Number of employees | 12 | 1 397 | 19 848 | 21 257 |
| Variable compensation 2010 | | 107.0 | 141.9 | 248.9 |
| of which non-deferred cash | | 93.6 | 124.3 | 217.9 |
| of which deferred shares | | 13.3 | 17.7 | 31.0 |
| % of total annual compensation | | 10% | 3% | 4% |
| Number of employees | | 419 | 5 311 | 5 730 |
| Severance payment | | 40.9 | 62.1 | 103.0 |
| % of total annual compensation | | 4% | 1% | 2% |
| Number of employees | | 1 | 86 | 87 |
| Guaranteed variable compensation | 1.3 | 0.9 | 1.6 | 3.8 |
| % of total annual compensation | 3% | 0% | 0% | 0% |
| Number of employees | 1 | 4 | 3 | 8 |
| Variable compensation earned 2009 paid out 2010 | 0.0 | 2.3 | 5.4 | 7.7 |
| Number of employees | 1 | 10 | 59 | 70 |

Table 2 below describes variable remuneration earned during 2010 and partly paid out in cash in 2011 as well as partly deferred amount.

Table 2. MSEK

| Swedbank Group | Senior Executives | Risk-takers | Other employees | Total |
|---|-------------------|-------------|-----------------|-------|
| Variable compensation regarding 2010 | | 166.3 | 147.3 | 313.7 |
| Of which paid out in cash | | 105.4 | 99.7 | 205.0 |
| Of which deferred, shares (deferred cash 1.1) | | 61.0 | 47.6 | 108.6 |
| Number of employees | | 511 | 5 413 | 5 924 |

B) EMPLOYEES WHOSE ACTIONS CAN HAVE A MATERIAL IMPACT ON THE RISK EXPOSURE OF SWEDBANK (RISK-TAKERS)

Swedbank considers that it is important that variable remuneration stimulates actions creating value for the bank and balanced risk-taking in order to generate value for customers and shareholders in the long term. Swedbank considers that the principle of deferred payment is an important factor in generating value in the long term. Swedbank has decided that employees in the following categories, who exercise or may exercise a considerable influence on Swedbank's risk level in their work, should be considered as risk-takers.

- employees holding senior management positions
- employees in the control functions
- employees in leading strategic positions (for instance the business area heads)

- traders in the capital market
- employees with responsibility for granting credits (for instance member of a credit committee, however not if the person concerned has a most limited authority)
- employees in the trading departments and
- employees in the actuarial

C) REMUNERATION AGGREGATED ON BUSINESS AREA LEVEL

The table below shows information about distribution of remuneration within the company, and the different business area levels for 2010. The table is divided into Swedbank's seven strategic business areas. The table contains also information about subsidiaries included within the relevant business area.

Table 3. MSEK

| Expensed total remuneration, business area break-down | Group Business Support and Group Functions | | | | | | | |
|---|--|----------------|----------------|------------------|---------------------------------|-----------------------------------|----------------|--------------------------|
| | Group | Retail | Baltic Banking | Russia & Ukraine | Large Corporates & Institutions | Asset Management | Ektornet | |
| Total | 6 213.0 | 2 517.3 | 760.7 | 293.3 | 1 052.1 | 256.5 | 54.6 | 1 278.5 |
| | Swedbank AB | Swedbank AS | Swedbank AS | JSC Bank | Swedbank AB | Swedbank Robur Group | Ektornet Group | Swedbank AB |
| | Swedbank Finans AB | (Estonia) | Swedbank AS | Swedbank AS | Swedbank AS | Swedbank Robur | | Sparia |
| | Swedbank Luxembourg SA | (Latvia) | Swedbank AS | OOO Leasing | Swedbank | Fonder AB | | Försäkrings AB |
| | Swedbank Fastighetsbyrå AB | (Lithuania) | Swedbank AB | | Luxembourg SA | Swedbank Robur | | Swedbank AS |
| | Swedbank Juristbyrå AB | | | | First Securities | Kapitalförvaltning AB | | Swedbank Babs Holding AB |
| | Ölandsbank AB | | | | First Securities LLC | Swedbank Investeerimisfondid AS | | |
| | Swedbank Företagsförmedling AB | | | | ZAO Swedbank | Swedbank leguldijumu Markets | | |
| | Swedbank Försäkring AB | | | | Markets | Swedbank leguldijumu | | |
| | | | | | OAQ Swedbank | Parvaldes Sabierdiba AS | | |
| | | | | | | Swedbank investiciju valdymas UAB | | |

D) PRINCIPLES REGARDING DEFERRED PAYMENT

The Swedbank Board of Directors has decided that risk-takers should receive 40 per cent of any earned variable salary during the first year after the year of accrual. The remaining 60 per cent will be withheld by Swedbank and will be available to the risk-taker not earlier than three years later. The deferred part will be paid out in shares, with exception for a group of employees within the business area LC&I

where the deferred part, approximately 1.1 MSEK, will be paid out in cash.

For other personnel 60 per cent of any earned variable salary will be paid out during the first year after the year of accrual. The remaining 40 per cent will be withheld by Swedbank and will be available to the employee not earlier than three years later.