

# HANDELSBANKEN

## *The proposals of the Board for the 2012 annual general meeting (AGM)*

### ***Item 9. Resolution on the allocation of the Bank's profits in accordance with the adopted balance sheet and also concerning the record day***

The Board proposes a dividend of SEK 9.75 per share, and that Monday, 2 April 2012 be the record day for the receiving of dividends. If the meeting resolves in accordance with the proposal, Euroclear Sweden AB expects to distribute the dividend on Thursday, 5 April 2012.

With reference to Chapter 18, Section 4 of the Swedish Companies Act, the following statement from the Board was noted: When assessing the amount of the company's proposed dividend, totalling SEK 6,085 million, account has been taken of the nature of operations, their scope, consolidation requirement, risk-taking, liquidity, and the general situation in both the Bank and the rest of the Group. The Board's assessment is that the above appropriation of profits is prudent and well-adapted to the operations as a going concern. Unrealised changes in the value of assets and liabilities at fair value have had a net impact on shareholders' equity of SEK 8,156 million in the Bank and minus SEK 74 million in the Group. The capital base of the banking group at year-end, minus the proposed dividend and changes in the capital base since the year-end, exceeded the statutory capital requirement by SEK 18,592 million; the equivalent figure for the parent company was SEK 43,699 million.

### ***Item 11. Authorisation for the Board to resolve on acquisition and divestment of shares in the Bank***

The earning capacity of the Bank remains good, and a stable capital situation can be foreseen. Depending on the continuing growth in volumes, a strengthened capital situation may arise. In such a situation, it could be appropriate to adjust the Bank's capital structure, which may inter alia be carried out by repurchasing the Bank's own shares. A new authorisation by the meeting for the Board to resolve on the repurchase of the Bank's own shares is therefore justified. The Board also notes that if the Bank were to acquire a company or operations, such a transaction could be facilitated if its own shares were available to finance an acquisition.

Thus the Board proposes that the meeting shall authorise the Board to resolve on the purchase of Handelsbanken's own class A and/or B shares during the period until the AGM in 2013 on the following conditions:

- The purchases shall be made on NASDAQ OMX Stockholm AB.
- The Bank may purchase a total of no more than 40,000,000 class A and/or B shares.
- When they are purchased, the shares shall be paid for at a price within the registered price range at any time, or at a price in compliance with NASDAQ OMX Stockholm AB's rules regarding volume-weighted average prices.
- The aggregated holding of the Bank's own shares, including shares in the trading book, shall not at any time exceed one-tenth of the total number of shares in the Bank.

The Board also proposes that the meeting authorise the Board a) to resolve on divestment of the Bank's own shares, deviating from the shareholders' preferential rights, as payment in connection with an acquisition of a company or business, and b) to resolve on divestment of the Bank's own shares on NASDAQ OMX Stockholm AB at a price within the registered price range at any time, or in some other way than through NASDAQ OMX Stockholm AB, in order to finance acquisition of a company or business, with or without preferential rights for the shareholders, and with or without provisions on payment in kind or through a set-off. In this case, if divestment deviates from the shareholders' preferential rights, the remuneration for shares sold must correspond to an estimated market value and can be payable in forms other than cash. In other respects, the following terms shall apply:

- The authorisations can be utilised on one or more occasions until the next ordinary general meeting.
- The authorisation on divestment covers all class A or B shares in Handelsbanken held by the Bank at the time of the Board's resolution.

With reference to Chapter 19, Section 22 of the Swedish Companies Act, the Board has made the following statement:

The Board finds that the proposed authorisation on acquisition of the Bank's own shares is justifiable, in view of the requirements which the nature, scope and risk level of the operations make on shareholders' equity, and also in view of the company's consolidation requirements, liquidity and situation in other respects, in both the Bank and the Group. Unrealised changes in the value of assets and liabilities at fair value have had a net impact on shareholders' equity of SEK 8,156 million in the Bank and minus SEK 74 million in the Group. The capital base of the banking group at year-end, minus the proposed dividend and changes in the capital base since year-end, exceeded the statutory capital requirement by SEK 18,592 million; the equivalent figure for the parent company was SEK 43,699 million.

***Item 12. Acquisition of shares in the Bank for the Bank's trading book pursuant to Chapter 7, Section 6 of the Swedish Securities Market Act***

The Board proposes that the meeting make the following resolution:

In order to facilitate its securities operations, and until the AGM in 2013, the Bank shall have the right to acquire its own ordinary class A and/or B shares for the Bank's 'trading book' pursuant to Chapter 7, Section 6 of the Swedish Securities Market Act (2007:528), on condition that the Bank's own shares in the trading book at no time exceed two per cent of all shares in the Bank. The shares shall be acquired at the market price applicable at the time of purchase.

Pursuant to the provisions of Chapter 19, Section 22 of the Swedish Companies Act, the Board refers to the statement made under item 11 above.

**Item 18. The Board's proposal concerning guidelines for compensation to senior management**

The Board recommends that the meeting decides on the following guidelines for compensation and other terms of employment for the senior management of Handelsbanken. The guidelines shall not affect any compensation previously decided for senior management.

- The total compensation shall be on market terms.
- Compensation is paid only in the form of a fixed salary and customary benefits. By special decision of the Board, the Bank can provide housing. Variable compensation benefits such as bonus and percentage of profits are not paid.
- The senior managers in question are included in the Oktogonen profit-sharing system on the same terms as all employees of the Bank.
- The retirement age is normally 65. Retirement benefits are defined-benefit or defined-contribution, or a combination of the two.
- The period of notice on the part of a senior manager is six (6) months, and on the part of Handelsbanken a maximum of twelve (12) months. If the Bank terminates the employment contract later than five (5) years after the person becomes a member of the senior management, the period of notice is a maximum of twenty-four (24) months. No other termination benefits are paid.
- The Board shall have the right to in exceptional circumstances deviate from the established guidelines if there are special reasons in an individual case.

The senior management positions to which these guidelines apply are the Group Chief Executive and the Bank's Executive Vice Presidents.

**Item 19. The Board's proposal concerning the appointment of auditors in foundations without own management**

The Board proposes that the registered public auditing firm KPMG AB be appointed as auditing company to the following foundations, which are newly associated with Svenska Handelsbanken AB:

- The Hellman Family Foundation (*Familjen Hellmans Stiftelse*)
- The Foundation to the Memory of Pontus Roos (*Stiftelsen till Pontus Roos Minne*)
- Foundation for Capri Philosophical Park (*Stiftelsen för Capris Filosofiska Park*)
- The Foundation for the Inger and Arne Oscarsson Scholarship Fund (*Stiftelsen Inger och Arne Oscarssons stipendiefond*)