

OFFERING CIRCULAR



Svenska Handelsbanken AB (publ)

(Incorporated as a public limited liability banking company in The Kingdom of Sweden)

U.S.\$50,000,000,000

Euro Medium Term Note Programme

for the issue of Notes

with a minimum maturity of one month

On 26th June, 1992 Svenska Handelsbanken AB (publ) (the "Issuer" or the "Bank") entered into a U.S.\$1,500,000,000 Euro Medium Term Note Programme (the "Programme") and issued an offering circular on that date describing the Programme. This Offering Circular supersedes any previous offering circular and supplements therein prepared in connection with the Programme. Any Notes (as defined below) issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any Notes already in issue.

Under the Programme, the Bank may from time to time issue Notes (the "Notes"), which expression shall include Notes (i) issued on an unsubordinated basis ("Senior Notes"), (ii) issued on a subordinated basis with a fixed maturity as provided in the "Terms and Conditions of the Notes" ("Dated Subordinated Notes"), (iii) issued on a subordinated basis with no fixed maturity and ranking on any liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank senior to Capital Instruments (as defined herein) as provided in the "Terms and Conditions of the Notes" ("Undated Subordinated Notes") and (iv) issued on a subordinated basis with no fixed maturity and ranking on any liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank junior to Undated Subordinated Indebtedness (as defined herein) other than Capital Instruments as provided in the "Terms and Conditions of the Notes" (which may be either "Capital Contribution Securities" or "Enhanced Capital Contribution Securities", as specified in the applicable Final Terms (as defined below) or, in the case of Exempt Notes (as defined below), the applicable Pricing Supplement (as defined below)).

The Terms and Conditions of Dated Subordinated Notes, Undated Subordinated Notes, Capital Contribution Securities and Enhanced Capital Contribution Securities will contain only limited events of default as described herein. Notes may be denominated in any currency agreed by the Bank and the relevant Purchasers (as defined below). Subject as set out herein, the Notes will have a minimum maturity of one month. The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.\$50,000,000,000 (or its equivalent in other currencies at the time of agreement to issue calculated as described in the Programme Agreement described herein).

The Notes will be issued to one or more of the Dealers specified on pages 6 to 7 (each a "Dealer" and together the "Dealers", which expression shall include any additional Dealer appointed under the Programme from time to time) on a continuing basis. Notes may also be issued to third parties other than Dealers. Dealers and such third parties are referred to as "Purchasers".

This Offering Circular has been approved by the Central Bank of Ireland (the "Central Bank") as competent authority under the Prospectus Directive (as defined below). The Central Bank only approves this Offering Circular as meeting the requirements imposed under Irish law and European Union ("EU") law pursuant to the Prospectus Directive. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC (the "Markets in Financial Instruments Directive" or "MiFID") and/or which are to be offered to the public in any Member State of the European Economic Area. Application has been made to the Irish Stock Exchange plc (the "Irish Stock Exchange") for the Notes issued under the Programme (other than Exempt Notes (as defined below)) within the period of 12 months from the date of this Offering Circular to be admitted to the official list (the "Official List") and trading on its regulated market (the "Main Securities Market"). The Main Securities Market is a regulated market for the purposes of MiFID.

Notice of the aggregate nominal amount of interest (if any) payable in respect of, the issue price of, Notes will be set forth in a final terms document (the "Final Terms"). With respect to Notes to be listed on the Irish Stock Exchange, the Final Terms will be delivered to the Central Bank and to the Irish Stock Exchange. Notice of the aggregate nominal amount of interest (if any) payable in respect of, the issue price of, and any other terms and conditions not contained herein which are applicable to, each Tranche (as defined below) of Notes, in the case of Exempt Notes will be set forth in a pricing supplement (the "Pricing Supplement").

The requirement to publish a prospectus under the Prospectus Directive only applies to the Notes which are to be admitted to trading on a regulated market in the European Economic Area ("EEA") and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive (as implemented in the relevant Member State(s)). References in this Offering Circular to "Exempt Notes" are to Notes for which no prospectus is required to be published under the Prospectus Directive. The Central Bank has neither approved nor reviewed information contained in this Offering Circular in connection with Exempt Notes. *Factors which may affect the Bank's ability to fulfil its obligation under Notes issued under the Programme and factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are set out in "Risk Factors" herein.*

The Programme (in respect of Senior Notes only) is expected to be rated AA- (long-term Senior Notes) and A-1+ (short-term Senior Notes) by Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's"), Aa3 (long-term Senior Notes) and Prime-1 (short-term Senior Notes) by Moody's Investors Service Limited ("Moody's") and AA- (long-term Senior Notes) and F1+ (short-term Senior Notes) by Fitch Ratings Ltd ("Fitch"). The Issuer has been rated AA- (long-term senior debt) and A-1+ (short-term senior debt) by Standard & Poor's, Aa3 (long-term senior debt) and Prime-1 (short-term senior debt) by Moody's and AA- (long-term senior debt) and F1+ (short-term senior debt) by Fitch. Each of Standard & Poor's, Moody's and Fitch is established in the European Union and has been registered under Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation"). Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme and/or the Issuer. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the Bank and the relevant Purchaser(s) in relation to each issue. The Bank may also issue unlisted Notes and/or Notes not admitted to trading on any market. The applicable Final Terms in respect of the issue of any such Notes will specify whether or not such Notes will be admitted to listing on the Official List and to trading on the Irish Stock Exchange (or any other listing authority, stock exchange and/or quotation system, if applicable). The applicable Pricing Supplement in respect of the issue of any Exempt Notes will specify whether or not such Exempt Notes will be admitted to listing or trading on any non-EEA listing authority, stock exchange and/or quotation system, if applicable.

The Notes of each Tranche will be in bearer form and will be initially represented by a global Note which will (i) if the global Note is intended to be issued in new global note ("NGN") form, as stated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the "Common Safekeeper") for Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg"); and (ii) if the global Note is not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the "Common Depositary") for Euroclear and Clearstream, Luxembourg.

The Bank may agree with any Purchaser and the Trustee (as defined below) that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which case a supplementary offering circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Arranger

BofA Merrill Lynch

Dealers

Barclays

BofA Merrill Lynch

Commerzbank

Credit Suisse

Deutsche Bank

HSBC

Mizuho Securities

Nomura

Société Générale Corporate & Investment Banking

The Royal Bank of Scotland

BNP PARIBAS

Citigroup

Crédit Agricole CIB

Danske Bank

Goldman Sachs International

J.P. Morgan

Morgan Stanley

SMBC Nikko

Handelsbanken Capital Markets

UBS Investment Bank

The date of this Offering Circular is 13th June, 2014.

This Offering Circular constitutes a base prospectus in respect of all Notes other than Exempt Notes issued under the Programme for the purposes of Article 5.4 of Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent such amendments have been implemented in a relevant Member State of the European Economic Area) (the “Prospectus Directive”).

This Offering Circular is to be read in conjunction with all documents which are incorporated herein by reference (see “Documents Incorporated by Reference” on page 27). This Offering Circular shall be read and construed on the basis that such documents are so incorporated and form part of this Offering Circular.

Neither the Dealers nor the Trustee have separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained in this Offering Circular or any other information provided by the Bank in connection with the Notes. Neither the Dealers nor the Trustee accept any liability in relation to the information contained in this Offering Circular or any other information provided by the Bank in connection with the Notes.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Bank, any of the Dealers or the Trustee.

Neither this Offering Circular nor any other information supplied in connection with the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as recommendations by the Bank, any of the Dealers or the Trustee that any recipient of this Offering Circular, or any further information supplied in connection with the Notes, should purchase any of the Notes. Each investor contemplating purchasing any of the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the credit worthiness, of the Bank and of the Bank and its consolidated subsidiaries (the “Group”). Neither this Offering Circular nor any other information supplied in connection with the Notes constitutes an offer or invitation by or on behalf of the Bank, any of the Dealers or the Trustee to any person to subscribe for or to purchase any of the Notes.

The delivery of this Offering Circular does not at any time imply that the information contained herein concerning the Bank is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme or any Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Bank and its subsidiaries during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published annual report of the Bank and the annual accounts of the Bank and of the Group and, if published later, the most recently published interim financial statements of the Group when deciding whether or not to purchase any Notes.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any U.S. state and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (see “Subscription and Sale” on page 117).

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of the Notes are

subject to the above restrictions and may be restricted by law in certain other jurisdictions. The Issuer, the Dealers and the Trustee do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of the Notes in the United States, the European Economic Area, the United Kingdom, Sweden and Japan (see “Subscription and Sale” on page 117).

This Offering Circular has been prepared on a basis that Notes other than Exempt Notes will have a minimum denomination of €100,000 (or its equivalent in any other currency).

In this Offering Circular, references to websites or uniform resource locators (“URLs”) are inactive textual references and are included for information purposes only. The contents of any such website or URL shall not form part of, or be deemed to be incorporated into, this Offering Circular.

In this Offering Circular, references to “SEK” are to Swedish Kronor, references to “U.S.\$” and “U.S. dollars” are to United States dollars, references to “cents” are to United States cents, references to “Yen” and “¥” are to Japanese Yen, references to “Sterling” are to pounds sterling, and references to “euro” are to the currency of the member states of the EU that adopt or have adopted the single currency in accordance with the Treaty on the Functioning of the European Union, as amended.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The Notes may not be a suitable investment for all investors. It is advisable that each potential investor in the Notes determines the suitability of that investment in light of its own circumstances. In particular, it is advisable that each potential investor (a) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement; (b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio; (c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency; (d) understands thoroughly the terms of the Notes and is familiar with the behaviour of the relevant financial markets; and (e) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s))

in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action or over-allotment may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any such stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

RESPONSIBILITY STATEMENT

The Bank accepts responsibility for the information contained in this Offering Circular and the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement for each Tranche of Notes issued under the Programme. To the best of the knowledge and belief of the Bank (which has taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

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OVERVIEW OF THE PROGRAMME

This overview should be understood as an introduction to this Offering Circular and highlights information presented in greater detail elsewhere in this Offering Circular. This overview is not complete and does not contain all the information an investor should consider before investing in any Notes. Any investor should carefully read the entire Offering Circular before investing, including “Risk Factors”, the audited consolidated financial statements of the Bank incorporated by reference in this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement. Each decision to invest in any Notes should be based on an assessment of the entire Offering Circular.

This overview also constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No. 809/2004 (as amended) implementing the Prospectus Directive.

Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” shall have the same meanings in this overview.

Issuer: Svenska Handelsbanken AB (publ) is a public limited liability banking company incorporated under the banking laws of Sweden and is registered with the Municipality of Stockholm under the registration number 502007-7862. The Issuer and its consolidated subsidiaries (the “Group”) is a leading Swedish full-service banking group, meaning that it provides various investment and other financial services, in addition to its wide range of traditional banking services, both domestically and internationally, for private and corporate customers. These services include deposit-taking, lending, property mortgages, payment facilities, investment banking, factoring, leasing and life insurance. The Group considers the Nordic Countries, Great Britain and the Netherlands as its domestic markets and any operations conducted in these areas are considered local operations.

Risk Factors: There are certain factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme. These are set out under “Risk Factors” below and include exposure to credit risk, operational risk, liquidity risk, market risk, (e.g., interest rate risk, equity price risk, exchange rate risk and commodity price risk), insurance risk, legal and litigation risk and compensation risk. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme, including risks relating to the structure of a particular issue of Notes.

Description: Euro Medium Term Note Programme

Arranger: Merrill Lynch International

Dealers: Barclays Bank PLC
BNP Paribas
Citigroup Global Markets Limited
Commerzbank Aktiengesellschaft
Crédit Agricole Corporate and Investment Bank

Credit Suisse Securities (Europe) Limited
 Danske Bank A/S
 Deutsche Bank AG, London Branch
 Goldman Sachs International
 HSBC Bank plc
 J.P. Morgan Securities plc
 Merrill Lynch International
 Mizuho International plc
 Morgan Stanley & Co. International plc
 Nomura International plc
 SMBC Nikko Capital Markets Limited
 Société Générale
 Svenska Handelsbanken AB (publ)
 The Royal Bank of Scotland plc
 UBS Limited

Distribution: Notes may be distributed by way of private or public placement and on a syndicated or non-syndicated basis.

**Issuing and Principal
Paying Agent:** Deutsche Bank AG, London Branch

Trustee: Deutsche Trustee Company Limited

Amount: Up to U.S.\$50,000,000,000 (or its equivalent in other currencies) outstanding at any time. The Bank has the option to increase the amount of the Programme in accordance with the terms of the Programme Agreement.

Currencies: Any currency agreed between the Bank and the relevant Purchaser, subject to any applicable legal or regulatory restrictions.

Maturities: Such maturities as may be agreed between the Bank and the relevant Purchaser(s), subject to such minimum or maximum maturity as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Bank or the relevant Specified Currency. Undated Subordinated Notes, Capital Contribution Securities and Enhanced Capital Contribution Securities will have no scheduled maturity.

Issue Price: Notes will be issued on a fully paid basis and at an issue price which is par or at a discount to, or premium over, par.

Form: The Notes will be issued in bearer form as described in “Form of the Notes”.

Fixed Rate Notes: Fixed Rate Notes will bear interest at a fixed rate of interest and will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Bank and the relevant Purchaser(s).

Reset Notes: Reset Notes will have reset provisions pursuant to which the relevant Notes will, in respect of an initial period, bear interest at an initial fixed rate of interest specified in the applicable Final Terms or, in the

case of Exempt Notes, the applicable Pricing Supplement. Thereafter, the fixed rate of interest will be reset on one or more date(s) by reference to a Mid-Market Swap Rate for the relevant Specified Currency, and for a period equal to the Reset Interest Period, as adjusted for any Relevant Reset Margin, in each case as may be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

Interest on Reset Notes will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Bank and the relevant Purchaser(s).

Floating Rate Notes:

Floating Rate Notes will bear interest at a rate determined:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions; or
- (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (iii) in the case of Exempt Notes, on such other basis as may be agreed between the Bank and the relevant Purchaser(s) (as indicated in the applicable Pricing Supplement).

The Margin (if any) applicable to such floating rate will be agreed between the Bank and the relevant Purchaser(s) for each Series of Floating Rate Notes (as indicated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement).

Floating Rate Notes may have a maximum and/or a minimum interest rate.

Interest on Floating Rate Notes will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Bank and the relevant Purchaser(s).

Interest periods (interest-bearing Notes only):

Such period as the Bank and the relevant Purchaser(s) may agree (as indicated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement).

Exempt Notes:

The Issuer may agree with any Dealer that Exempt Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes and this general description of the Programme, in which event the relevant provisions will be included in the applicable Pricing Supplement.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their

nominal amount and will not bear interest.

Redemption:

In relation to Senior Notes and Dated Subordinated Notes, the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement will indicate the scheduled maturity date. Undated Subordinated Notes, Capital Contribution Securities and Enhanced Capital Contribution Securities will have no scheduled maturity date. The applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement will indicate whether the relevant Notes cannot be redeemed prior to their scheduled maturity date (if any) (other than for taxation reasons or following an Event of Default or, in the case of Dated Subordinated Notes, Undated Subordinated Notes, Capital Contribution Securities or Enhanced Capital Contribution Securities, following any of the relevant events described below in relation to the redemption of such Notes) or whether the relevant Notes may be redeemed early, if applicable, at the option of the Bank and/or the Noteholders upon giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement to the Noteholders or the Bank, as the case may be, on a date or dates specified and at a price or prices and on such terms as are indicated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

No early redemption of Dated Subordinated Notes and no redemption, substitution or variation, as the case may be, of Undated Subordinated Notes, Capital Contribution Securities or Enhanced Capital Contribution Securities may take place without the prior written consent of the Relevant Regulator.

Denomination:

Such denominations as may be agreed between the Bank and the relevant Purchaser(s) and indicated in the applicable Final Terms (save that the minimum denomination of each Note other than an Exempt Note will be €100,000 (or the equivalent amount in any other currency in which the Notes are denominated) or such other amount as may be allowed or required from time to time by the relevant regulatory body or any laws or regulations applicable to the Bank or the relevant Specified Currency).

Taxation:

All payments in respect of the Notes will be made without withholding or deduction for or on account of taxes levied in Sweden, unless such withholding or deduction is required by law, subject as provided in Condition 11.

Status of Senior Notes:

Senior Notes will constitute unconditional and unsecured obligations of the Bank and will rank *pari passu* without any preference among Notes of the same Series and *pari passu* in right of payment with all other unsecured obligations (other than subordinated obligations and indebtedness which is entitled to preference under Swedish law) of the Bank, including deposits.

**Status of Dated
Subordinated Notes:**

Dated Subordinated Notes will constitute unsecured, subordinated obligations of the Bank and will rank *pari passu* without any

preference among Notes of the same Series. In any liquidation or bankruptcy of the Bank, the holders of such Notes will be subordinated in right of payment to the claims of (i) creditors of the Bank entitled to preference under Swedish law, (ii) depositors and all other unsubordinated creditors of the Bank and (iii) if applicable, as provided in the second paragraph of Condition 3, certain other subordinated creditors of the Bank, but will rank senior in right of payment to any Undated Subordinated Indebtedness of the Bank.

**Status of Undated
Subordinated Notes:**

Undated Subordinated Notes will constitute unsecured, subordinated obligations of the Bank and, in the event of a liquidation or bankruptcy of the Bank, its payment obligations on or in respect of such Notes will rank (i) junior in right of payment to the payment of any present or future claims of (a) creditors of the Bank entitled to preference under Swedish law, (b) depositors of the Bank and other unsubordinated creditors of the Bank and (c) creditors of the Bank in respect of Dated Subordinated Indebtedness, (ii) *pari passu* without any preference among Notes of the same Series, (iii) at least *pari passu* in right of payment with all outstanding Undated Subordinated Indebtedness of the Bank whether or not so converted as described in Condition 4 and senior in right of payment to any Undated Subordinated Indebtedness which constitutes a Capital Instrument or is expressed to rank equally with or junior to any Capital Instrument and (iv) senior in right of payment to payments to holders of all classes of share capital of the Bank in their capacity as such holders. Undated Subordinated Notes will contain provisions for the utilisation of the nominal amount thereof in meeting losses of the Bank by writing down the nominal amount in the circumstances, and to the extent, described in Condition 4.

**Status of Capital
Contribution Securities
and Enhanced Capital
Contribution Securities:**

Capital Contribution Securities and Enhanced Capital Contribution Securities will constitute unsecured, subordinated obligations of the Bank and, in the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank, its payment obligations on or in respect of such Notes will rank (i) junior in right of payment to the payment of any present or future claims of (a) creditors of the Bank entitled to preference under Swedish law, (b) depositors of the Bank and other unsubordinated creditors of the Bank, (c) creditors of the Bank in respect of Dated Subordinated Indebtedness and (d) except as expressed in (iii) below, creditors of the Bank in respect of Undated Subordinated Indebtedness, (ii) *pari passu* without any preference among Notes of the same Series; (iii) at least *pari passu* with any other outstanding Capital Instruments and claims of any other subordinated creditors the claims of which are expressed to rank *pari passu* with such Notes, whether or not so converted as described in Condition 5, and (iv) senior in right of payment to payments to holders of all classes of share capital of the Bank in their capacity as such holders. Capital Contribution Securities and Enhanced Capital Contribution Securities will contain provisions for the utilisation of the nominal amount thereof in meeting losses of the Bank by writing down the nominal amount in the circumstances, and to the extent, described in Condition 5.

Interest Deferral (Undated Subordinated Notes):

On any Optional Interest Payment Date, the Bank may elect not to pay the interest in respect of the Notes accrued to that date, but the Bank shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Bank for any purpose. Any interest in respect of the Notes not paid as aforesaid shall, so long as the same remains outstanding, constitute “Arrears of Interest” and be payable as outlined in Condition 6(e).

Limitations on Payments of Interest (Capital Contribution Securities and Enhanced Capital Contribution Securities):

To the extent that accumulated Available Distributable Funds as of the end of any fiscal year are insufficient to pay or to provide for payment in full of all interest payable in the current financial year on such Notes and on all other Capital Instruments issued by the Bank, the Bank will make partial payment of all accrued but unpaid interest and such other claims *pro rata* to the extent of such Available Distributable Funds. If, and to the extent that Available Distributable Funds are not available and the Bank makes partial payment of, or does not pay, accrued interest, the right of holders of such Notes to receive accrued but unpaid interest in respect of any such Interest Period will be lost. Notwithstanding the above, in the case of Enhanced Capital Contribution Securities only, the Bank may elect to cancel any payment of interest other than a Mandatory Interest Payment which is otherwise scheduled to be paid on an Interest Payment Date. Any amount of interest not made as a result of such election will be lost. See Condition 6(f).

Redemption upon Tax Event, Capital Event, Rating Event or Accounting Event (Capital Contribution Securities and Enhanced Capital Contribution Securities):

Upon the occurrence of a Tax Event, a Capital Event, a Rating Event or an Accounting Event but subject to Condition 7(i), the Bank may, at its option, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement to the holders of the relevant Notes, redeem all (but not some only) of such Notes. See Condition 7(j). Capital Contribution Securities and Enhanced Capital Contribution Securities will contain provisions entitling the Bank, instead of redeeming such Notes in the circumstances aforesaid, to substitute them for, or vary their terms so that they remain or, as appropriate, become, Qualifying Tier 1 Securities.

Redemption upon Capital Event (Undated Subordinated Notes):

Upon the occurrence of a Capital Event but subject to Condition 7(i), the Bank may, at its option, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement to the holders of the relevant Notes, redeem all (but not some only) of such Notes. See Condition 7(k).

Redemption upon Capital Event or Tax Event (Dated Subordinated Notes):

If so specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, upon the occurrence of a Capital Event or a Tax Event but subject to Condition 7(i), the Bank may, at its option, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement to the holders of the relevant Notes, redeem all (but not some only) of such Notes. See Condition 7(l).

Negative Pledge:	None.
Cross Default:	None.
Events of Default (Senior Notes, Dated Subordinated Notes and Undated Subordinated Notes):	Payment of principal and interest on Senior Notes, Dated Subordinated Notes and Undated Subordinated Notes will be subject to acceleration only in certain limited circumstances relating to the liquidation or bankruptcy of the Bank. See Condition 12(a).
Events of Default (Capital Contribution Securities and Enhanced Capital Contribution Securities):	Payment of principal and interest on Capital Contribution Securities and Enhanced Capital Contribution Securities will be subject to acceleration only in certain limited circumstances relating to the liquidation or bankruptcy of the Bank. See Condition 12(b).
Listing and admission to trading:	Application has been made to the Irish Stock Exchange for the Notes (other than Exempt Notes) issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to the Official List and trading on the Main Securities Market. Notes may also be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the Bank and the relevant Purchaser(s) in relation to each issue. Notes which are neither listed nor admitted to trading on any market may also be issued. The applicable Final Terms will state on which stock exchange(s) or markets the Notes are to be listed. In the case of Exempt Notes, the applicable Pricing Supplement will state whether or not the Notes are to be listed and/or admitted to trading, and if so, on which non-EEA stock exchange(s) or markets.
Governing Law:	The Notes, and any non-contractual obligations arising out of or in connection therewith, shall be governed by, and construed in accordance with, English law, except that the provisions relating to subordination and any non-contractual obligations arising out of or in connection therewith, will be governed by, and construed in accordance with, Swedish law.
Selling Restrictions:	Those prevailing in the United States, the EEA, the United Kingdom, Sweden and Japan, and such other restrictions as may be required in connection with the offering and sale of a particular issue of Notes. See “Subscription and Sale” below.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme

Credit risk

Credit risk is the potential risk of financial loss arising from the failure of a borrower or counterparty to fulfil its financial and contractual obligations as they fall due. The Issuer is exposed to credit risk as a result of lending, issuing guarantees and carrying out transactions with counterparties on the foreign exchange and securities markets. Credit exposures are managed in accordance with a credit policy established by the Board of Directors (the "Board").

The responsibility for the Issuer's credit exposure lies with its branches. Responsibility for credit decisions rests with the branch that manages the relevant customer's relationship. Branch managers and most account managers have a personal decision limit within which they have sole responsibility for their credit decisions. This personal limit determines the total amount of credit which a specific branch manager or account manager can grant to a customer. If the requested extension of credit exceeds the branch manager's personal limit, the decision is made at the regional level. Higher limits apply at the regional level and decisions on extensions of credit that exceed the limits at the regional level are made by the Board's credit committee. Branches are provided support from regional and central units, which assist the branches with matters relating to business economics and risk assessment. The Issuer's total exposure to credit risk is measured and reported to the Board quarterly.

Operational risk

Operational risk is the risk of loss due to deficient or inadequate procedures and systems, error on the part of the Bank's employees, fraud or external events. The Group also includes legal risks in its definition of operational risk. Responsibility for the identification, management and control of operational risk is shared at all levels at the Group. Apart from the responsibility for operational risk borne by the managers responsible for various functions, there are managers with special responsibility for information security and physical security who report incidents of significant importance directly to the Group Chief Executive. The Central Risk Control function has the overall responsibility for the methods used for identifying and quantifying operational risk and for monitoring and reporting these risks to the management and the Board. As an aid to the identification measurement and handling of operational risk, the Bank has a separate reporting system for

operational incidents and losses. In addition to the day to day control of operational risk, all main departments, regional banks and subsidiaries perform annual self-evaluations of operational risk. A general review of the Group's operational risks is performed twice a year by heads of the regional banks, central departments and subsidiaries.

The results of these reviews are reported to the CFO, the group chief executive and the Board. New and major changes in products, services and IT systems undergo risk analysis including operational risk. There are emergency and continuity plans in place in all parts of the Group for dealing with serious disruptions.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuer will be unable to comply with its obligations as a company with securities admitted to the Official List.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its payment obligations when they fall due without being affected by unacceptable costs or losses. The Group's liquidity requirements arise when expected outgoing payments exceed expected incoming payments. The size of this gap is restricted by limits. Liquidity risk is measured and limited by carrying out a gap analysis of cash flows for various maturities and all currencies, as well as gap analysis of groups of currencies. As a general rule, a larger exposure is permitted in currencies with high liquidity than in currencies where liquidity is low.

Central Treasury has overall responsibility for the Bank's liquidity and funding. It ensures that the Bank has continual control of its balance sheet and that the actual funding costs are allocated out in the organisation.

The Group believes that it takes a conservative approach to liquidity management by combining daily liquidity management with the management of its contingency reserves in order to prepare for a variety of potential disruptions. Pursuant to this approach, the Group holds assets that are readily realisable, through repurchase arrangements with central banks or in the capital markets, with the objective of allowing the Group to meet its liquidity requirements. The Group manages its liquidity with the goal of being able to meet its liquidity requirements for a 12-month period without borrowing additional funds in the interbank market.

The Group strives to maintain well-diversified sources of funding in terms of currencies, markets and products. The Group maintains a variety of programmes in order to have readily available access to international and Swedish capital markets. Short-term funding is obtained through active commercial paper programmes in Sweden, the United States and Europe. Long-term funding is obtained through covered bond issues in SEK and utilisation of other funding programmes of the Group. The central treasury department is responsible for maintaining a proper balance in the maturities of assets and liabilities.

Market risk

Market risk is the risk of a loss in connection with changes in prices or the volatility of prices in the financial markets. The Group divides market risk into interest rate risk, exchange rate risk, equity price risk and commodity risk. Market risk arises in Handelsbanken Capital Markets' trading portfolio as a result of customer driven transactions and as a result of its activities as a market maker for fixed income products, currencies, equity instruments and commodities. Market risk also arises in the Group's central treasury department, in the Group's insurance operations and in Stadshypotek and, to a more limited extent, in the Group's regional banks.

The Group's financial risk control unit is responsible for establishing policies and procedures, as well as implementing appropriate reporting systems, concerning market risk. The unit is also responsible for overseeing management of market risk by each regional bank and business area. Market risks are regularly assessed by the Group's risk committee, which is chaired by the CFO, and the committee regularly reports its findings to senior management and the Board.

Interest Rate Risk

Interest rate risk primarily arises in Handelsbanken Capital Markets, the Bank's central treasury department and in the Group's lending operations. In the latter, the interest rate risk arises as a result of lending to customers and other banks, at rates, in amounts and for periods that differ from those of the applicable sources of funding for these loans. The Group attempts to eliminate a significant portion of this risk by entering into interest rate swap agreements. In general, interest rate risk exposure is in markets which are characterised by good liquidity.

The Bank measures and limits interest rate risk with methods that capture general interest rate risk, specific interest rate risk and non linear interest rate risk.

Equity Price Risk

Equity price risk is the risk of loss due to changes in the market value of equity-related positions as a result of fluctuations in market prices and the risk of loss due to the volatility of market prices. The Group's exposure to equity price risk primarily occurs through customer-generated equity transactions in Handelsbanken Capital Markets. Handelsbanken Capital Markets is a market maker for structured products, which gives rise to equity price risk, both linear and non-linear. The non-linear equity price risk arises via options included in the structured products. The Group uses pre-defined stress scenarios, simulating significant changes in underlying share prices and volatilities, to measure equity price risk and establish acceptable limits.

Exchange Rate Risk

The Group's exposure to exchange rate risk primarily arises from Handelsbanken Capital Markets' customer driven trading activity in the international foreign exchange markets. The majority of this trading is done on an intra-day basis and the Board has established exchange rate risk limits on this activity. The Group is also exposed to exchange rate risk through its banking operations as a result of the fact that the Group's international activities are carried out in various currencies. The Board has allocated small position limits in an effort to manage this portion of the Group's exchange rate risk.

Commodity price risk

Exposure in commodity related instruments occurs as a result of customer-based trading in the international commodity markets. The commodity price risk is only a small part of the Bank's total market risk. Trading in commodities is conducted exclusively in Handelsbanken Capital Markets.

The Bank limits and measures the commodity price risk in Handelsbanken Capital Markets with methods that captures both commodity price risk and non linear risk effectively.

Insurance risk

Insurance risk is the uncertainty in the outcome of an insurance policy due to uncertainty relating to the following assumptions:

- expected mortality;
- life expectancy;
- probability of suffering illness or inability to work; and
- probability of accident.

An individual policy may include exposure to a combination of these four insurance risks. As the Group's insurance company, Handelsbanken Liv, is a profit-distributing insurance company, it bears these risks. As such, a medical risk assessment is performed on potential purchasers of insurance.

Risks in the compensation system

Compensation risk is the risk of loss or other damage arising as a result of the compensation system. The Group has low tolerance of compensation risks and actively strives to keep them at a low level. This is achieved in part by only using variable compensation to a very limited extent and only in the areas where this is market practice and is necessary in order to achieve the goals for the relevant unit's operations. Where variable compensation exists, it is a rule subject to deferred payment.

The Group's remuneration policy and compensation system are deemed to generate low risks and promote sound and effective risk management, counteract excessive risk-taking, fit in with the Group's low tolerance of risks and support the Group's long-term interests. The compensation system is designed in such a way that there is no risk that the Group's capital base is undermined as a result of mandatory payment of variable compensation. It is possible to reduce or remove variable compensation, wholly or partly, which applies both for allocations for variable compensation and for deferred variable compensation which has not yet been paid.

Legal and Litigation risk

Svenska Handelsbanken AB (publ) is a Swedish bank regulated by the Banking and Financing Activities Act (*Sw. Lag (2004:297) om bank- och finansieringsrörelse*) and other laws and regulations applicable to banking business. The competent supervisory authority of the Bank is the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*) ("SFSA").

The regulatory regime requires the Bank to be compliant in many areas of its activity, such as the granting and negotiating of credit, providing means of payment, assuming guarantee commitments, participating in securities issues, providing financial advice, the safe custody of securities, conducting foreign exchange trading, conducting both securities and pension savings businesses and providing advice and assistance to companies in corporate management.

If the Bank fails to comply with any relevant rules and regulations, there is a risk of sanctions, fines and other actions imposed by relevant authorities and courts which may negatively affect its business.

The litigation risk is dependent on how business is conducted within the Bank and how the Bank acts towards its customers. A negative outcome in a litigation will result in legal or regulatory sanctions, financial loss or loss of reputation.

Risks associated with the current conditions in the global financial markets and by global economic conditions

Each of the Group's operating segments is affected by market conditions, which can cause results to fluctuate from year to year as well as on a long term basis. These conditions include economic cycles such as financial market cycles, including volatile movements in market prices and banking industry cycles. Fluctuations in interest rates and exchange rates, monetary and fiscal policy, consumer and business spending, demographics and competitive and other factors also influence the Group's performance.

The outlook for the global economy over the near to medium term remains challenging. In particular, structural changes in the Eurozone economies stand out as the most severe. From August 2007 through the early part of 2009, the global financial system experienced unprecedented credit and liquidity conditions and severe dislocation of financial markets around the world. Although the level of market disruption and volatility caused by the global financial crisis abated somewhat during 2011 and more noticeably in 2012 and 2013, following significantly deteriorated market conditions in late 2010, there can be no assurance that these conditions will not recur or that similar events will not occur having similar effects on the financial markets, in which case the Group may experience reductions in business activity, increased funding costs, decreased liquidity, decreased asset values, additional credit impairment losses and lower profitability and revenues. Any of the foregoing factors could have a material adverse effect on the Group's business, financial condition and results of operations.

Global markets and economic conditions have also been negatively impacted since 2010 by market perceptions regarding the ability of certain European Union Member States, including Greece, Ireland, Italy, Portugal and Spain, to service their sovereign debt obligations. While in 2013 these concerns lessened, stress tests on European banks planned for the spring of 2014 could produce unanticipated negative results requiring some financial institutions to seek further state and/or shareholder support. The continued uncertainty over the outcome of the European Union governments' support programmes for their financial sectors and the possibility that other European Union Member States may experience debt servicing difficulties could further disrupt global markets. In particular, continued uncertainty has disrupted and could in the future further disrupt, equity markets and result in volatile yields on the sovereign debt of European Union Member States.

The precise nature of the risks and uncertainties the Group faces as a result of current economic conditions cannot be predicted and many of these risks are outside the control of the Group. However, if the current levels of market disruption and volatility continue, worsen or abate and then recur, the Group's business, results of operations and financial condition may be materially adversely affected and may have a material adverse effect on the Bank's ability to fulfil its obligations under the Notes.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain of those features:

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of such Notes generally will not rise

substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market value of such Notes is typically more volatile than the market value of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes are Notes which may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing market rates on its Notes.

Reset Notes

Reset Notes will initially bear interest at the relevant Initial Rate of Interest (as defined in Condition 6(b)) until (but excluding) the relevant First Reset Date (as defined in Condition 6(b)). On the relevant First Reset Date, the relevant Second Reset Date (as defined in Condition 6(b)) (if applicable) and each relevant Subsequent Reset Date (as defined in Condition 6(b)) (if any) thereafter, the interest rate will be reset to the sum of the relevant Mid-Swap Rate (as defined in Condition 6(b)) and the relevant Subsequent Reset Margin (as defined in Condition 6(b)) (as applicable) as determined by the Agent on the relevant Reset Interest Determination Date (as defined in Condition 6(b)) (each such interest rate, a "Subsequent Reset Rate of Interest"). The Subsequent Reset Rate of Interest for any relevant Reset Interest Period (as defined in Condition 6(b)) could be less than the relevant Initial Rate of Interest or the relevant Subsequent Reset Rate of Interest for prior Reset Interest Periods, which could affect the market value of an investment in the relevant Notes.

Notes issued at a substantial discount or premium

The market value of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

The Issuer's obligations under subordinated Notes are subordinated

The Issuer's obligations under Dated Subordinated Notes will be unsecured and subordinated. Subject to applicable law, in any voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank the rights of a holder of such Notes shall be subordinated in right of payment to the claims of (i) creditors of the Bank entitled to preference under Swedish law, (ii) the depositors and all other unsubordinated creditors of the Bank and (iii) other subordinated creditors of the Bank whose rights are expressed so as to rank in priority to the rights of such holder (subject, however, to the Bank's undertaking contained in the third paragraph of Condition 3), but shall rank senior in right of payment to the rights of creditors holding Undated Subordinated Indebtedness (as defined in Condition 3) of the Bank. Accordingly, such Notes constitute subordinated debt obligations of the Bank (*förlagslån*), as more fully described in Condition 3.

The Issuer's obligations under Undated Subordinated Notes will be unsecured and subordinated. In the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank, the rights of a holder of such Notes to payments on or in respect of such Notes whether or not the whole or any part of the nominal amount of such Notes, together with accrued but unpaid interest, has been made available in meeting losses of the Bank and such amount has been converted into conditional capital contributions as described in Condition 4, shall rank junior in right of payment to the payment of any present or future claims of (a) creditors of the Bank entitled to preference under Swedish law, (b) depositors of the Bank and other unsubordinated creditors of the Bank and (c) creditors of the Bank in respect of Dated Subordinated Indebtedness (as defined in Condition 3), as more fully described in Condition 4.

The Issuer's obligations under Capital Contribution Securities and Enhanced Capital Contribution Securities will be unsecured and subordinated. Subject to applicable law, in any voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank, the rights of a holder of such Notes to payments on or in respect of such Notes shall rank junior in right of payment to the payment of any present or future claims of (a) creditors of the Bank entitled to preference under Swedish law, (b) depositors of the Bank and other unsubordinated creditors of the Bank, (c) subordinated creditors of the Bank in respect of Dated Subordinated Indebtedness and (d) except as expressed in Condition 5, subordinated creditors of the Bank in respect of Undated Subordinated Indebtedness. If the Bank were to liquidate (whether voluntarily or involuntarily), holders of such Notes could lose their investment.

Restrictions on interest payments in respect of Capital Contribution Securities and Enhanced Capital Contribution Securities

Payments of interest in any fiscal year are limited to, and may not exceed, the accumulated Available Distributable Funds (*utdelningsbara medel*) (as defined in Condition 6(f)) of the Bank as of the end of the preceding fiscal year. To the extent that accumulated Available Distributable Funds (*utdelningsbara medel*) as of the end of any fiscal year are insufficient to pay or to provide for payment in full of all accrued but unpaid interest and the claims of other Capital Instruments of the Bank, which have fallen or are scheduled to fall due in the same fiscal year of the Bank, the Bank will, subject as provided below in the case of Enhanced Capital Contribution Securities, make partial payment of all accrued but unpaid interest and such other claims *pro rata* to the extent of such

Available Distributable Funds (*utdelningsbara medel*). If, and to the extent that Available Distributable Funds (*utdelningsbara medel*) are not available and the Bank makes partial payment of, or does not pay, accrued interest, the right of holders of Capital Contribution Securities or Enhanced Capital Contribution Securities to receive accrued but unpaid interest in respect of any such Interest Period will be lost.

In the case of Enhanced Capital Contribution Securities, the Bank may elect to cancel any payment of interest other than (subject as provided above in relation to Available Distributable Funds (*utdelningsbara medel*)) a Mandatory Interest Payment which is otherwise scheduled to be paid on an Interest Payment Date by giving notice of such election to, *inter alia*, the Noteholders not less than five Business Days prior to the relevant Interest Payment Date. Any amount of interest not paid as a result of such election will be lost.

The cancellation of any payment of interest as described above shall not constitute an Event of Default. The Bank will undertake that, in the event that any interest is cancelled by it as described above, it will not:

- (i) declare or pay any distribution or dividend or make any other payment on, and will procure that no distribution or dividend or other payment is made on, any Stopper Securities (as defined in Condition 6(f)(iii)); or
- (ii) redeem, purchase, cancel, reduce or otherwise acquire any Stopper Securities,

in each case unless or until the amounts of interest due and payable on any subsequent Interest Payment Date in respect of one or more interest periods which together represent at least 12 months on all outstanding Enhanced Capital Contribution Securities have been paid in full (or an amount equal to the same has been duly set aside or provided for in full for the benefit of the holders of the Enhanced Capital Contribution Securities).

Conversion into conditional capital contributions: Undated Subordinated Notes

To the extent that may be required in order to avoid the Bank being obliged to enter into liquidation (*likvidation*), the shareholders of the Bank, by resolution passed at a general meeting, may decide that the nominal amount of Undated Subordinated Notes (together with Accrued Interest (as defined in Condition 4)) be used in meeting losses of the Bank, by writing down the nominal amount (together with Accrued Interest) by the amount required for a Liquidation Avoidance Conversion (as defined in Condition 4(b)) and converting such amount into a conditional capital contribution (*villkorat kapitaltillskott*). The rights of holders of such Notes in respect of the nominal amount and Accrued Interest so used will thereupon be converted into rights of providers of conditional capital contributions as set out in Condition 4. Utilisation of the nominal amount of such Notes (together with Accrued Interest) for the purpose of meeting losses shall be made *pro rata* to the nominal amount (and accrued but unpaid interest) of other Undated Subordinated Indebtedness not constituting Capital Instruments outstanding at the time of such utilisation, except that such utilisation shall be made after utilisation for the same purpose of any Undated Subordinated Indebtedness either constituting a Capital Instrument or which is expressed to rank equally with or junior to a Capital Instrument. Interest will not accrue on the amount so converted.

Conversion into conditional capital contributions: Enhanced Capital Contribution Securities

In the case of Enhanced Capital Contribution Securities, the shareholders of the Bank, by resolution passed at a general meeting, may decide that the nominal amount of such Notes (together with Accrued Interest) should be used in meeting losses of the Bank by writing down the nominal amount of such Notes (together with Accrued Interest) by the amount by which the shareholders of the Bank in general meeting, in their absolute discretion, determine is required by the Bank in

connection with either a Liquidation Avoidance Conversion or a Regulatory Breach Avoidance Conversion (as defined in Condition 5(c)) and, in either case, converting such amount into a conditional capital contribution (*villkorat kapitaltillskott*). Interest will not accrue on the amount so converted.

In the case of any Liquidation Avoidance Conversion, utilisation of such Notes for the purposes of meeting losses shall be made prior to the utilisation for the same purpose of Undated Subordinated Indebtedness not constituting Capital Instruments and shall be made *pro rata* to the nominal amount (and accrued but unpaid interest) of all other Capital Instruments outstanding at the time of such utilisation. In the case of any Regulatory Breach Avoidance Conversion, utilisation of such Notes shall be made *pro rata* to the nominal amount (and accrued but unpaid interest) of all other Capital Instruments (which contain provisions permitting a Regulatory Breach Avoidance Conversion) and prior to the utilisation for the same purpose of any Undated Subordinated Indebtedness not constituting Capital Instruments.

Conversion into conditional capital contributions: Capital Contribution Securities

To the extent that may be required in order to avoid the Bank being obliged to enter into liquidation (*likvidation*), the shareholders of the Bank, by resolution passed at a general meeting, may decide that the nominal amount of the Capital Contribution Securities (together with Accrued Interest) should be used in meeting losses of the Bank, by writing down the nominal amount (together with Accrued Interest (as defined in Condition 5)) by the amount required for a Liquidation Avoidance Conversion and converting such amount into a conditional capital contribution (*villkorat kapitaltillskott*). The rights of holders of such Notes in respect of the nominal amount and Accrued Interest so used will thereupon be converted into rights of providers of conditional capital contributions as set out in Condition 5. Utilisation of the nominal amount of such Notes (together with Accrued Interest) for the purpose of meeting losses shall be made prior to the utilisation for the same purpose of Undated Subordinated Indebtedness not constituting Capital Instruments and shall be made *pro rata* to the nominal amount (and accrued but unpaid interest) of all other Capital Instruments outstanding at the time of such utilisation.

Redemption upon occurrence of a Tax Event, an Accounting Event, a Rating Event or a Capital Event in relation to Capital Contribution Securities and Enhanced Capital Contribution Securities

Upon the occurrence of a Tax Event, an Accounting Event, a Rating Event or a Capital Event (each as defined in Condition 7(j)) but subject to Condition 7(i), the Bank may, at its option, redeem all (but not some only) of the Notes at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

There can be no assurance that holders of Notes will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in the Notes.

The Notes will contain provisions entitling the Bank, instead of redeeming the Notes in the circumstances aforesaid, to substitute them for, or vary their terms so that they remain or, as appropriate, become, Qualifying Tier 1 Securities.

Redemption upon occurrence of a Capital Event in relation to Undated Subordinated Notes

Upon the occurrence of a Capital Event (as defined in Condition 7(k)) but subject to Condition 7(i), the Bank may, at its option, redeem all (but not some only) of such Notes at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

There can be no assurance that holders of Notes will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in the Notes.

Redemption upon occurrence of a Tax Event or a Capital Event in relation to Dated Subordinated Notes

If so specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, upon the occurrence of a Tax Event or a Capital Event (each as defined in Condition 7(l)) but subject to Condition 7(i), the Bank may, at its option, redeem all (but not some only) of the Notes at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

There can be no assurance that holders of Notes will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in the Notes.

EU bank recovery and resolution directive

On 6th May, 2014, the Council of the European Union adopted a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the “BRRD”). The BRRD will come into force following its publication in the Official Journal of the EU, which is expected to be in June 2014. The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest. Those tools and powers allow (i) a sale of business, which enables the resolution authority to direct the sale of the firm or the whole or part of its business on commercial terms, (ii) the creation of a bridge institution, which enables the resolution authority to transfer all or part of the business of the firm to a “bridge institution” (an entity created for this purpose that is wholly or partially in public control) and (iii) asset separation, which enables the resolution authority to transfer impaired or problem assets to one or more publicly owned asset management vehicles in order to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down and can only be used together with another resolution tool; and include a general bail-in tool, which gives the resolution authority the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims including, in the case of the Bank, Dated Subordinated Notes, Undated Subordinated Notes, Capital Contribution Securities, Enhanced Capital Contribution Securities (together, “Capital Notes”) and Senior Notes to equity, which could, in turn, also be subject to any future application of the general bail-in tool.

The BRRD also provides for a Member State as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

An institution will be considered as failing or likely to fail when it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation, its assets are, or are likely in

the near future to be, less than its liabilities, it is, or is likely in the near future to be, unable to pay its debts as they fall due or (except in limited circumstances) it requires extraordinary public financial support.

In addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power permanently to write-down or convert into equity capital instruments such as the Capital Notes at the point of non-viability and before any other resolution action is taken (“non-viability loss absorption”). Any shares issued to holders of Capital Notes upon any such conversion into equity could, in turn, also be subject to any application of the general bail-in tool.

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the BRRD is the point at which the relevant authority determines that the institution meets the conditions for resolution (but no resolution action has yet been taken) or that the institution will no longer be viable unless relevant capital instruments (such as Capital Notes) are written-down or converted into equity or extraordinary public support is to be provided and without such support the appropriate authority determines that the institution would no longer be viable.

The BRRD provides that it will be applied by Member States from 1st January, 2015, except for the general bail-in tool which is to be applied from 1st January, 2016.

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Once the BRRD is implemented, holders of Senior Notes and Capital Notes may be subject to write-down or conversion into equity on any application of the general bail-in tool and, in the case of Capital Notes, non-viability loss absorption, which may result in such holders losing some or all of their investment. The exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of Noteholders, the price or value of their investment in any Notes and/or the ability of the Bank to satisfy its obligations under any Notes.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification, waivers and substitution

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions stipulate defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders and without regard to the interests of particular Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 14 of the Notes.

EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income (“Directive 2003/48/EC”), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a

Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24th March, 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1st January, 2017. The changes will expand the range of payments covered by Directive 2003/48/EC, in particular to include additional types of income payable on securities. Directive 2003/48/EC will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the EU.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1st January 2015, in favour of automatic information exchange under Directive 2003/48/EC.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent (as defined in the Terms and Conditions of the Notes) nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to Directive 2003/48/EC.

U.S. Foreign Account Tax Compliance Act Withholding

The U.S. “Foreign Account Tax Compliance Act” (or “FATCA”) imposes a new reporting regime and, potentially, a 30 per cent. withholding tax with respect to (i) certain payments from sources within the United States, (ii) “foreign passthru payments” made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. The Bank is classified as a financial institution for these purposes. If an amount in respect of such withholding tax were to be deducted or withheld from interest, principal or other payments made in respect of the Notes, neither the Bank nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected. Prospective investors should refer to the section “Taxation – Foreign Account Tax Compliance Act”.

Change of law

The Terms and Conditions of the Notes, except for the provisions relating to subordination in Conditions 3, 4, 5, 6(d), 6(e) and 6(f) (which are based on Swedish law in effect as at the date of issue of the relevant Notes) are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law

or administrative practice or Swedish law or administrative practice, as the case may be, after the date of issue of the relevant Notes.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination (as defined in the Terms and Conditions of the Notes) plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency (as defined in the Terms and Conditions of the Notes). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

In addition, a holder of securities with a fixed interest rate that will be periodically reset during the term of the relevant securities, such as Reset Notes, is also exposed to the risk of fluctuating interest rate levels and uncertain interest income.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, the market, other additional risk factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes unless such ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings is set out on the front cover of this Offering Circular and, in respect of any Tranche of Notes which is rated, such rating will be disclosed in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published or are published simultaneously with this Offering Circular and have been filed with the Central Bank, shall be incorporated in, and form part of, this Offering Circular:

- (a) the annual report of the Bank and the annual audited consolidated accounts of the Group in respect of the financial year ended 31st December, 2013, which can be viewed online at ([www.handelsbanken.se/shb/inet/icentsv.nsf/vlookuppics/investor_relations_en_hb_13_highlights/\\$file/hb_13_highlights.pdf](http://www.handelsbanken.se/shb/inet/icentsv.nsf/vlookuppics/investor_relations_en_hb_13_highlights/$file/hb_13_highlights.pdf));
- (b) the annual report of the Bank and the annual audited consolidated accounts of the Group in respect of the financial year ended 31st December, 2012, which can be viewed online at ([www.handelsbanken.com/shb/inet/icentsv.nsf/vlookuppics/investor_relations_en_hb_12_highlights/\\$file/hb_12_en_highlights.pdf](http://www.handelsbanken.com/shb/inet/icentsv.nsf/vlookuppics/investor_relations_en_hb_12_highlights/$file/hb_12_en_highlights.pdf));
- (c) the interim unaudited consolidated financial statements of the Group for the three month period ended 31st March, 2014 which can be viewed online at ([www.handelsbanken.at/shb/inet/icentsv.nsf/vlookuppics/investor_relations_en_hb_q1_14_eng_report/\\$file/hb_q1_14_eng_report.pdf](http://www.handelsbanken.at/shb/inet/icentsv.nsf/vlookuppics/investor_relations_en_hb_q1_14_eng_report/$file/hb_q1_14_eng_report.pdf)); and
- (d) the sections “Terms and Conditions of the Notes” from the previous offering circulars relating to the Programme dated:
 - 14th June, 2013, which can be viewed online at (www.ise.ie/debt_documents/Base%20Prospectus_fa0970d7-39bf-4a8b-a021-2ad530af1a40.PDF);
 - 15th June, 2012, which can be viewed online at (www.rns-pdf.londonstockexchange.com/rns/5128F_1-2012-6-15.pdf);
 - 15th June, 2011, which can be viewed online at (www.rns-pdf.londonstockexchange.com/rns/5028I_1-2011-6-15.pdf);
 - 17th June, 2010, which can be viewed online at (www.rns-pdf.londonstockexchange.com/rns/8506N_-2010-6-18.pdf); and
 - 17th June, 2009, which can be viewed online at (www.rns-pdf.londonstockexchange.com/rns/0718U_-2009-6-17.pdf),

save that any statement contained herein or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any document subsequently incorporated by reference herein by way of a supplement prepared in accordance with Article 16 of the Prospectus Directive modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Where only parts of a document are incorporated by reference, the non-incorporated parts are either not relevant for the investor or are covered elsewhere in this Offering Circular.

Copies of any or all of the documents which are incorporated herein by reference can be obtained from the registered office of the Bank in Stockholm or on the websites specified above.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

The Bank will, in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Offering Circular which is capable of affecting the assessment of any Notes arising or being noted, prepare a supplement to this Offering Circular or publish a new base prospectus for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will be initially represented by a global Note which will (i) if the global Note is intended to be issued in NGN form, as stated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, be delivered on or prior to the original issue date of the Tranche to the Common Safekeeper for Euroclear and Clearstream, Luxembourg; and (ii) if the global Note is not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to the Common Depositary for Euroclear and Clearstream, Luxembourg. Payments of principal, interest (if any) or any other amounts on a global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender, as the case may be, of the global Note (if the global Note is not intended to be issued in NGN form). A global Note will be exchangeable, in whole but not in part, for security-printed definitive Notes with, where applicable, interest coupons and talons attached either (i) upon not less than 60 days' written notice from Euroclear or Clearstream, Luxembourg (as the case may be) acting on instructions of any holder of interests in the global Note or (ii) only upon the occurrence of an Exchange Event. For these purposes, "Exchange Event" means that (i) an Event of Default (as defined in Condition 12) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 17 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such global Note) or the Trustee may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent. Global Notes and definitive Notes will be issued pursuant to the Agency Agreement.

Pursuant to the Agency Agreement, the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned security code numbers by Euroclear and Clearstream, Luxembourg which are different from the security code numbers assigned to Notes of any other Tranche of the same Series until at least 40 days after the completion of the distribution of the Notes of such Tranche as certified by the Agent to the relevant Purchasers).

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement or as may otherwise be approved by the Issuer, the Agent and the Trustee.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do within a reasonable period and the failure shall be continuing.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes other than Exempt Notes issued under the Programme.

[Date]

SVENSKA HANDELSBANKEN AB (publ)

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the U.S.\$50,000,000,000
Euro Medium Term Note Programme**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 13th June, 2014 [and the Supplementary Offering Circular[s] dated [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State) (the “Prospectus Directive”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Offering Circular [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular [as so supplemented]. The Offering Circular [and the Supplementary Offering Circular[s] dated [date]] [has] [have] been published on the website of the [Central Bank of Ireland at <http://www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx>] [Irish Stock Exchange plc (the “Irish Stock Exchange”) at www.ise.ie].

[The following alternative language applies if the first Tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Offering Circular dated [original date] [and the supplement(s) to it dated [date(s)]] which are incorporated by reference in the Offering Circular dated [current date] and are attached hereto [and the Supplementary Offering Circular[s] dated [date]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State) (the “Prospectus Directive”) and must be read in conjunction with the Offering Circular dated [current date] which constitutes a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular dated [current date] [and the Supplementary Offering Circular[s] dated [date]]. Copies of such Offering Circular [and the Supplementary Offering Circular[s] dated [date]] [has] [have] been published on the website of the [Central Bank of Ireland at <http://www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx>] [Irish Stock Exchange plc (the “Irish Stock Exchange”) at www.ise.ie].

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

1. Issuer: Svenska Handelsbanken AB (publ)
2. (i) Series Number: []
- (ii) Tranche Number: []
- (iii) Date on which the Notes will be consolidated and form a single Series: [The Notes will be consolidated and form a single Series with [] on the Issue Date] [Not Applicable]
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
 - Tranche: []
 - Series: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date]] (if applicable)
6. (i) Specified Denominations: []
- (N.B. Notes must have a minimum denomination of EUR 100,000 (or equivalent))
- (N.B. - Where multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed:
 “[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].”)
- (ii) Calculation Amount: []
- (If only one Specified Denomination, insert the Specified Denomination.
- If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)
7. [(i)] Issue Date [and Interest Commencement Date]: []
- (ii) [Interest Commencement Date (if different from the Issue Date): [specify/Issue Date/Not Applicable]]

(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)

8. Maturity Date: [Specify date or for floating rate notes - Interest Payment Date falling [in/nearest to] [specify month and year]]
9. Interest Basis: [[] per cent. Fixed Rate]
[Reset Notes]
[[[currency] LIBOR / EURIBOR / STIBOR / NIBOR / CIBOR / HIBOR] +/- [] per cent. Floating Rate]
[Zero Coupon]
(further particulars specified below)
10. Redemption Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal value
11. Change of Interest Basis: [[Cross refer to paragraphs 14, 15 and/or 16 below if details are included there]/[Not Applicable]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
13. Status of the Notes: [Senior/Dated Subordinated/Undated Subordinated/[Enhanced] Capital Contribution Security]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Dates(s): [[] in each year and up to and including the Maturity Date] [subject to adjustment in accordance with paragraph 14(vii)]

(NB: This will need to be amended in the case of long or short coupons)
- (iii) Fixed Coupon Amount(s): [] per Calculation Amount
(Applicable to Notes in definitive form)

- (iv) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []
(Applicable to Notes in definitive form.)
- (v) Day Count Fraction: [Actual/Actual (ICMA) / 30/360 / Actual/365 (Fixed)]
- (vi) Determination Date(s): [] in each year
[Insert interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon] (NB: this will need to be amended in the case of regular interest payment dates which are not of equal duration) (NB: only relevant where Day Count Fraction is Actual/Actual (ICMA))
- (vii) Business Day Convention: [Modified Following Business Day Convention / Following Business Day Convention/Preceding Business Day Convention] [unadjusted/adjusted] / [Not Applicable]
- (viii) Additional Business Centre: [[]/Not Applicable]
- 15. Reset Note Provisions** [Applicable/Not Applicable]
- (i) Initial Rate of Interest: [] per cent. per annum payable [annually/semi-annually/quarterly/monthly] in arrear
- (ii) Initial Mid-Swap Rate: [] per cent.
- (iii) First Reset Margin: [+/-][] per cent. per annum
- (iv) Subsequent Reset Margin: [[+/-][] per cent. per annum/Not Applicable]
- (v) Interest Payment Date(s): [[] in each year and up to and including the Maturity Date] [subject to adjustment in accordance with paragraph 15(xviii)]
(NB: This will need to be amended in the case of long or short coupons)
- (vi) Fixed Coupon Amount up to (but excluding) the First Reset Date: [] per Calculation Amount
(Applicable to Notes in definitive form)
- (vii) Broken Amount(s) up to (but excluding) the First Reset Date: [] per Calculation Amount payable on the Interest Payment Date falling [in/on] []
(Applicable to Notes in definitive form)

form)

- (viii) First Reset Date: [[]/Interest Payment Date falling [in/nearest to] [*specify month*]]
- (ix) Second Reset Date: [[]/Interest Payment Date falling [in/nearest to] [*specify month*]/Not Applicable]
- (x) Subsequent Reset Date(s): [[] [and []]/Not Applicable]
- (xi) Relevant Screen Page: []
- (xii) Mid-Swap Rate: [Single Mid-Swap Rate/Mean Mid-Swap Rate]
- (xiii) Mid-Swap Maturity: []
- (xiv) Reset Interest Determination Date(s): []
(*specify in relation to each Reset Date*)
- (xv) Relevant Time: []
- (xvi) Day Count Fraction: [30/360] / [Actual/Actual (ICMA) / Actual/365]
- (xvii) Determination Date(s): [] in each year

[Insert interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon] (NB: this will need to be amended in the case of regular interest payment dates which are not of equal duration) (NB: only relevant where Day Count Fraction is Actual/Actual (ICMA))
- (xviii) Business Day Convention: [Modified Following Business Day Convention / Following Business Day Convention/Preceding Business Day Convention] [unadjusted/adjusted] / [Not Applicable]
- (xix) Additional Business Centre: [[]/Not Applicable]
- (xx) Party responsible for calculating the Rate of Interest and Reset Notes Interest Amount (if not the Agent): []
- (xxi) Applicable fallback: [As per Condition 6(b)(ii)(e)(1)/As per Condition 6(b)(ii)(e)(2)]

16. Floating Rate Note Provisions [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Specified Period(s)/Specified []

Interest Payment Dates:

- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (iii) Additional Business Centre(s): []
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): []
- (vi) Screen Rate Determination:
 - Reference Rate: [] month [[*currency*] LIBOR / EURIBOR / STIBOR / NIBOR / CIBOR / HIBOR]
 - Relevant Time: [[] in the Relevant Financial Centre/As per Condition 6(c)(ii)]
 - Interest Determination Date(s): [Second London business day prior to the start of each Interest Period]
[First day of each Interest Period]
[Second day on which the TARGET2 System is open prior to the start of each Interest Period]
[Second Stockholm business day prior to the start of each Interest Period]
[Second Oslo business day prior to the start of each Interest Period]
[Second Copenhagen business day prior to the start of each Interest Period]
[[] days prior to the start of each Interest Period]

[]
(See Condition 6(c)(ii) for details)
 - Relevant Screen Page: []

(In the case of EURIBOR, if not Reuters Screen EURIBOR01 ensure it is a page which shows a composite rate)
 - Relevant Financial Centre: [London/Brussels/Stockholm/Oslo/Copenhagen/Hong Kong]
- (vii) ISDA Determination:

- Floating Rate Option: []
- Designated Maturity: []
- Reset Date: []
- (viii) Linear Interpolation: [Not Applicable/Applicable – the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (ix) Margin(s): [+/-] [] per cent. per annum
- (x) Minimum Rate of Interest: [Nor Applicable/[] per cent. per annum]
- (xi) Maximum Rate of Interest: [Not Applicable/[] per cent. per annum]
- (xii) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360
30E/360
360/360
Bond Basis
Eurobond Basis
30E/360 (ISDA)]

17. Zero Coupon Note Provisions

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Accrual Yield: [] per cent. per annum
- (ii) Reference Price: []
- (iii) Day Count Fraction in relation to Early Redemption Amounts: [30/360]
[Actual/360]
[Actual/365]

PROVISIONS RELATING TO REDEMPTION

18. Notice periods for Condition 7(b)

Minimum period: [] days

Maximum period: [] days

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for

example, as between the Issuer and the Agent)

19. Issuer Call

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount: [] per Calculation Amount
- (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: []
 - (b) Higher Redemption Amount: []
- (iv) Notice period: Minimum period: [] days

Maximum period: [] days

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

20. Investor Put

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount: [] per Calculation Amount
- (iii) Notice period: Minimum period: [] days

Maximum period: [] days

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

- 21.** Optional Redemption for dated Subordinated Notes in the case of:
- (i) Capital Event: [Applicable/Not Applicable]
 - (ii) Tax Event: [Applicable/Not Applicable]
- 22.** Optional Redemption Amount (Undated Subordinated Notes, Capital Contribution Securities, Enhanced Capital Contribution Securities or Dated Subordinated Notes) [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Amount payable on redemption following the occurrence of, in the case of Undated Subordinated Notes, a Capital Event or, in the case of Capital Contribution Securities and Enhanced Capital Contribution Securities, a Tax Event, a Rating Event, an Accounting Event or a Capital Event or, in the case of Dated Subordinated Notes, a Capital Event or Tax Event: [[] per Calculation Amount/Not Applicable]
 - (ii) Notice period: Minimum period: [] days
Maximum period: [] days

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
- 23.** Final Redemption Amount: [] per Calculation Amount
- 24.** Early Redemption Amount payable on redemption for taxation reasons or on event of default: [] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 25.** Form of Notes:
- (i) Form: Global Note exchangeable for definitive Notes

[on 60 days' notice given at any time/only upon an Exchange Event]

(The exchange upon notice option should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "€[100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].")

(ii) New Global Note: [Yes] [No]

26. Additional Financial Centre(s): [Not Applicable/[]]

(Note that this item relates to the date of payment and not interest period end dates to which items 14(viii), 15 (xix) and 16(iii) relate)

27. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [admission to trading on the Irish Stock Exchange's regulated market and for listing on the Official List of the Irish Stock Exchange] of the Notes described herein pursuant to the listing of the U.S.\$50,000,000,000 Euro Medium Term Note Programme of Svenska Handelsbanken AB (publ).

[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Bank:

By

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: *[Insert name of stock exchange on which listing has been, or will be, obtained, for example “The Official List of the Irish Stock Exchange”]*
- (ii) Admission to trading: *[Application has been made for the Notes to be admitted to trading on [insert name of EEA regulated market, for example “the regulated market of the Irish Stock Exchange”] with effect from []]*
- (iii) Estimate of total expenses relating to admission to trading: []

2. RATINGS

- Ratings: *[The Notes to be issued [[have been]/[are expected to be]] rated [insert details] by [insert the legal name of the relevant credit rating agency entity(ies)].]*
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*
- [[Each of][Insert the legal name of the relevant credit rating agency entity] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).]*

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [managers/dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [managers/dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

4. YIELD *(Fixed Rate Notes and Reset Notes only)*

Indication of yield: []

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. [In the case of Notes where the [First] Reset Date falls less than one year from the Issue Date, the indication of yield specified

above will only be applicable until the [First Reset Date.]

5. OPERATIONAL INFORMATION

- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable/give *name(s) and number(s)*]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of additional Paying Agent(s) (if any): []
- (vi) [Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] /

[No. Whilst the designation is specified as “no” at the date of this Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

DISTRIBUTION

- 6. (i) Method of Distribution: [Syndicated/Non-Syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/give *names*]

- (iii) Date of Subscription Agreement: []
- (iv) Stabilising Manager(s) (if any): [Not Applicable/*give name*]
7. If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
8. U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA C/TEFRA not applicable]
- [N.B. Notes may only be distributed in accordance with TEFRA C Rules]***

FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes, whatever the denomination of those Notes, issued under the Programme. The applicable Pricing Supplement in relation to any Series of Exempt Notes may specify other terms and conditions which will, to the extent so specified or to the extent inconsistent with the Terms and Conditions, replace or modify such Terms and Conditions for the purpose of such Exempt Notes.

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC (AS AMENDED) (THE “PROSPECTUS DIRECTIVE”) FOR THE ISSUE OF NOTES DESCRIBED BELOW.

[Date]

SVENSKA HANDELSBANKEN AB (publ)

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the U.S.\$50,000,000,000
Euro Medium Term Note Programme**

PART A – CONTRACTUAL TERMS

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Offering Circular dated [date] [as supplemented by the supplement[s] dated [date[s]]] (the “Offering Circular”). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular. Copies of the Offering Circular may be obtained from [address].

[The following alternative language applies if the first Tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular [dated [original date] [and the supplement(s) dated [date(s)]] which are incorporated by reference in the Offering Circular].

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]

1. Issuer: Svenska Handelsbanken AB (publ)

2. (i) Series Number: []

(ii) Tranche Number: []

(If fungible with an existing Series, details of that Series)

(iii) Date on which the Notes will be [The Notes will be consolidated and form a single

- consolidated and form a single Series: Series with [] on the Issue Date] [Not Applicable]
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
- Tranche: []
 - Series: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date]] (if applicable)
6. (i) Specified Denominations: []
- (ii) Calculation Amount: []
- (If only one Specified Denomination, insert the Specified Denomination.*
- If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7. [(i)] Issue Date [and Interest Commencement Date]: []
- (ii) [Interest Commencement Date (if different from the Issue Date): [specify/Issue Date/Not Applicable]]
- (N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
8. Maturity Date: [Specify date or for floating rate notes - Interest Payment Date falling [in/nearest to] [specify month and year]]
9. Interest Basis:
- [[] per cent. Fixed Rate]
 - [Reset Notes]
 - [[[currency] LIBOR / EURIBOR / STIBOR / NIBOR / CIBOR / HIBOR] +/- [] per cent. Floating Rate]
 - [Zero Coupon]
 - [specify other]
 - (further particulars specified below)
10. Redemption Basis: [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [] per cent. of their nominal value][specify other]

11. Change of Interest Basis: *[[Cross refer to paragraphs 14, 15 and/or 16 below if details are included there]/[Not Applicable]*
12. Put/Call Options: *[Investor Put]
[Issuer Call]
[(further particulars specified below)]*
13. Status of the Notes: *[Senior/Dated Subordinated/Undated Subordinated/[Enhanced] Capital Contribution Security]*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions *[Applicable/Not Applicable]*
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest: *[] per cent. per annum payable in arrear on each Interest Payment Date*
- (ii) Interest Payment Dates(s): *[[] in each year and up to and including the Maturity Date] [subject to adjustment in accordance with paragraph 14(vii)]*
- (NB: This will need to be amended in the case of long or short coupons)*
- (iii) Fixed Coupon Amount(s): *[] per Calculation Amount*
(Applicable to Notes in definitive form)
- (iv) Broken Amount(s): *[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []*
(Applicable to Notes in definitive form.)
- (v) Day Count Fraction: *[Actual/Actual (ICMA) / 30/360 / Actual/365 (Fixed) / specify other]*
- (vi) Determination Date(s): *[] in each year*
- [Insert interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon] (NB: this will need to be amended in the case of regular interest payment dates which are not of equal duration) (NB: only relevant where Day Count Fraction is Actual/Actual (ICMA))*
- (vii) Business Day Convention: *[Modified Following Business Day Convention / Following Business Day Convention/Preceding*

	Business Day Convention] [unadjusted/adjusted] / <i>specify other</i> / [Not Applicable]
(viii) Additional Business Centre:	[[]/Not Applicable]
(ix) Other terms relating to the method of calculating interest for Fixed Rate Notes which are Exempt Notes:	[None/ <i>give details</i>]
15. Reset Note Provisions	[Applicable/Not Applicable]
(i) Initial Rate of Interest:	[] per cent. per annum payable [annually/ semi-annually/quarterly/monthly] in arrear
(ii) Initial Mid-Swap Rate:	[] per cent.
(iii) First Reset Margin:	[+/-][] per cent. per annum
(iv) Subsequent Reset Margin:	[[+/-][] per cent. per annum/Not Applicable]
(v) Interest Payment Date(s):	[[] in each year and up to and including the Maturity Date] [subject to adjustment in accordance with paragraph 15(xviii)]
	<i>(NB: This will need to be amended in the case of long or short coupons)</i>
(vi) Fixed Coupon Amount up to (but excluding) the First Reset Date:	[] per Calculation Amount
	<i>(Applicable to Notes in definitive form)</i>
(vii) Broken Amount(s) up to (but excluding) the First Reset Date:	[] per Calculation Amount payable on the Interest Payment Date falling [in/on] []
	<i>(Applicable to Notes in definitive form)</i>
(viii) First Reset Date:	[[]/Interest Payment Date falling [in/nearest to] [<i>specify month</i>]]
(ix) Second Reset Date:	[[]/Interest Payment Date falling [in/nearest to] [<i>specify month</i>]/Not Applicable]
(x) Subsequent Reset Date(s):	[[] [and []]/Not Applicable]
(xi) Relevant Screen Page:	[]
(xii) Mid-Swap Rate:	[Single Mid-Swap Rate/Mean Mid-Swap Rate]
(xiii) Mid-Swap Maturity:	[]
(xiv) Reset Interest Determination	[]

- Date(s): *(specify in relation to each Reset Date)*
- (xv) Relevant Time: []
- (xvi) Day Count Fraction: [30/360]/[Actual/Actual (ICMA)]
- (xvii) Determination Date(s): [] in each year
- [Insert interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon] (NB: this will need to be amended in the case of regular interest payment dates which are not of equal duration) (NB: only relevant where Day Count Fraction is Actual/Actual (ICMA))*
- (xviii) Business Day Convention: [Modified Following Business Day Convention / Following Business Day Convention/Preceding Business Day Convention] [unadjusted/adjusted] / [Not Applicable]
- (xix) Additional Business Centre: [[]/Not Applicable]
- (xx) Party responsible for calculating the Rate of Interest and Reset Notes Interest Amount (if not the Agent): []
- (xxi) Applicable fallback: [As per Condition 6(b)(ii)(e)(1)/As per Condition 6(b)(ii)(e)(2)/specify other]
- 16. Floating Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Specified Period(s)/Specified Interest Payment Dates: []
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
- (iii) Additional Business Centre(s): []
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): []

- (vi) Screen Rate Determination:
- Reference Rate: [] month [[*currency*] LIBOR / EURIBOR / STIBOR / NIBOR / CIBOR / HIBOR / *specify other reference rate*]
 - Relevant Time: [[] in the Relevant Financial Centre/As per Condition 6(c)(ii)][*specify other*]
 - Interest Determination Date(s): [Second London business day prior to the start of each Interest Period]
[First day of each Interest Period]
[Second day on which the TARGET2 System is open prior to the start of each Interest Period]
[Second Stockholm business day prior to the start of each Interest Period]
[Second Oslo business day prior to the start of each Interest Period]
[Second Copenhagen business day prior to the start of each Interest Period]]
[[] days prior to the start of each Interest Period]
[*specify other*]

(See Condition 6(c)(ii) for details)
 - Relevant Screen Page: []

(In the case of EURIBOR, if not Reuters Screen EURIBOR01 ensure it is a page which shows a composite rate)
 - Relevant Financial Centre: [London/Brussels/Stockholm/Oslo/Copenhagen/Hong Kong/*specify other*]
- (vii) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (viii) Linear Interpolation: [Not Applicable/Applicable – the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (ix) Margin(s): [+/-] [] per cent. per annum
- (x) Minimum Rate of Interest: [Nor Applicable/[] per cent. per annum]
- (xi) Maximum Rate of Interest: [Not Applicable/[] per cent. per annum]

- (xii) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360
30E/360
360/360
Bond Basis
Eurobond Basis
30E/360 (ISDA)
other]
- (xiii) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes which are Exempt Notes, if different from those set out in the Conditions: []
- 17. Zero Coupon Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Accrual Yield: [] per cent. per annum
- (ii) Reference Price: []
- (iii) Any other formula/basis of determining amount payable for Zero Coupon Notes which are Exempt Notes: []
- (iv) Day Count Fraction in relation to Early Redemption Amounts: [30/360]
[Actual/360]
[Actual/365]
[specify other]

PROVISIONS RELATING TO REDEMPTION

- 18. Notice periods for Condition 7(b)** Minimum period: [] days
- Maximum period: [] days
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*

- 19. Issuer Call** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount: [] per Calculation Amount/specify other/see Appendix
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: []
- (b) Higher Redemption Amount: []
- (iv) Notice period: Minimum period: [] days
- Maximum period: [] days
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
- 20. Investor Put** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount: [] per Calculation Amount/specify other/see Appendix
- (iii) Notice period: Minimum period: [] days
- Maximum period: [] days
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*

21. Optional Redemption for Dated Subordinated Notes in the case of:
- (iii) Capital Event: [Applicable/Not Applicable]
- (iv) Tax Event: [Applicable/Not Applicable]
22. Optional Redemption Amount (Undated Subordinated Notes, Capital Contribution Securities, Enhanced Capital Contribution Securities or Dated Subordinated Notes) [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Amount payable on redemption following the occurrence of, in the case of Undated Subordinated Notes, a Capital Event or, in the case of Capital Contribution Securities and Enhanced Capital Contribution Securities, a Tax Event, a Rating Event, an Accounting Event or a Capital Event or, in the case of Dated Subordinated Notes, a Capital Event or Tax Event: [[] per Calculation Amount/Not Applicable/specify other/see Appendix]
- (ii) Notice period: Minimum period: [] days
- Maximum period: [] days
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
23. Final Redemption Amount: [] per Calculation Amount/specify other/see Appendix
24. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [] per Calculation Amount/specify other/see Appendix

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes:

- (i) Form: Global Note exchangeable for definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]
- (The exchange upon notice option should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "€[100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].")*
- (ii) New Global Note: [Yes] [No]
- 26.** Additional Financial Centre(s): [Not Applicable/[]]
- (Note that this item relates to the date of payment and not interest period end dates to which items 14(viii), 15(xix) and 16(iii) relate)*
- 27.** Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
- 28.** Other terms or conditions [Not Applicable/give details]

Signed on behalf of the Bank:

By

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed on [specify market - note this must not be an EEA regulated market] with effect from [].]

2. RATINGS

- Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated [insert details] by [insert the legal name of the relevant credit rating agency entity(ies)].

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [managers/dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [managers/dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

4. YIELD (*Fixed Rate Notes and Reset Notes only*)

- Indication of yield: []

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. [In the case of Notes where the [First] Reset Date falls less than one year from the Issue Date, the indication of yield specified above will only be applicable until the [First] Reset Date.]

5. OPERATIONAL INFORMATION

- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable/give *name(s) and number(s)*]
- (iv) Delivery: Delivery [against/free of] payment

- (v) Names and addresses of additional Paying Agent(s) (if any): []
- (vi) [Intended to be held in a manner which would allow Eurosystem eligibility:
- [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] /
- [No. Whilst the designation is specified as “no” at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

DISTRIBUTION

6. (i) Method of Distribution: [Syndicated/Non-Syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/*give names*]
- (iii) Date of Subscription Agreement: []
- (iv) Stabilising Manager(s) (if any): [Not Applicable/*give name*]
7. If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
8. U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA C/TEFRA not applicable]
- [N.B. Notes may only be distributed in accordance with TEFRA C Rules]***
9. Additional Selling Restrictions [Not Applicable/*give details*]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each global Note and which will be endorsed upon each definitive Note. The applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement will be endorsed upon, or attached to, each global Note and definitive Note.

This Note is one of a Series (as defined below) of Notes constituted by a Trust Deed (as modified and/or supplemented and/or restated from time to time, the “Trust Deed”) dated 26th June, 1992 made between Svenska Handelsbanken AB (publ) (the “Bank”) and Deutsche Trustee Company Limited (the “Trustee”, which expression shall wherever the context permits include all other persons or companies for the time being acting as trustee under the Trust Deed). References herein to the “Notes” shall be references to the Notes of this Series and shall mean (i) in relation to any Notes represented by a global Note, units of each Specified Denomination in the Specified Currency, (ii) definitive Notes issued in exchange for a global Note and (iii) any global Note. The Notes and the Coupons (each as defined below) also have the benefit of an amended and restated Agency Agreement (such agency agreement as amended and/or supplemented and/or restated from time to time, the “Agency Agreement”) dated 13th June, 2014, made between the Bank, the Trustee, Deutsche Bank AG, London Branch as issuing and principal paying agent (the “Agent”, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the “Paying Agents”, which expression shall include any additional or successor paying agents).

References herein to “Exempt Notes” are to Notes for which no prospectus is required to be published under Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) (the “Prospectus Directive”).

Interest bearing definitive Notes (unless otherwise indicated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) have interest coupons (“Coupons”) and, if indicated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, talons for further Coupons (“Talons”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons.

The final terms of the Notes (or the relevant provisions thereof) are set out in (i) in the case of Notes other than Exempt Notes, Part A of a final terms document (the “Final Terms”) relating to the Notes which completes these Terms and Conditions (the “Conditions”) or (ii) in the case of Exempt Notes, a pricing supplement (the “Pricing Supplement”) which amends, modifies and replaces these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, amend, modify or replace the Conditions for the purposes of the Exempt Notes.

The Trustee acts for the benefit of the holders of the Notes (the “Noteholders”, which expression shall, in relation to any Notes represented by a global Note, be construed as provided below), the holders of the Coupons (the “Couponholders”, which latter expressions, unless the context otherwise requires, include the holders of the Interest Talons, the “Talonholders”), all in accordance with the provisions of the Trust Deed.

As used herein, “Series” means each original issue of Notes together with any further issues expressed to form a single series with the original issue and which are denominated in the same currency and the terms of which (save for the Issue Date, the Interest Commencement Date and/or the Issue Price (as indicated as aforesaid)) are otherwise identical (including whether or not the Notes are

listed). As used herein, “Tranche” means all Notes of the same Series with the same Issue Date and Interest Commencement Date.

Copies of the Trust Deed and the Agency Agreement (which contains the form of Final Terms and the form of Pricing Supplement) are available for inspection at the specified offices of each of the Trustee, the Agent and each of the other Paying Agents. Copies of the applicable Final Terms are available for viewing at the registered office of the Issuer and of the Agent and copies may be obtained from those offices save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the Agent as to its holding of such Notes and identity. If this Note is an Exempt Note, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer, the Trustee and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, which are binding on them.

Words and expressions defined in the Trust Deed or the Agency Agreement or used in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated provided that, in the event of inconsistency between the Agency Agreement and the Trust Deed, the Trust Deed shall prevail and, in the event of inconsistency between the Agency Agreement or the Trust Deed and the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement shall prevail.

1. Form

The Notes are in bearer form and, in the case of definitive Notes, serially numbered in the currency (the “Specified Currency”) and the denomination (the “Specified Denomination(s)”) specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note is a Senior Note, a Dated Subordinated Note, an Undated Subordinated Note, a Capital Contribution Security or an Enhanced Capital Contribution Security, as indicated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

This Note may be a Fixed Rate Note, a Reset Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement. Notes in definitive form are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Conditions are not applicable.

Subject as set out below, title to the Notes and Coupons will pass by delivery. Subject as set out below, the Bank, the Trustee and any Paying Agent may deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding two paragraphs.

For so long as Notes are represented by a global Note held on behalf of Euroclear Bank SA/NV (“Euroclear”), Clearstream Banking, société anonyme (“Clearstream, Luxembourg”), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Bank, the Trustee and any Paying Agent as the holder of such nominal amount of Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant global Note shall be treated by the Bank, the Trustee and any Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant global Note and the Trust Deed (and the expressions “Noteholder”, “holder of Notes”, “holder” and related expressions shall be construed accordingly). Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system approved by the Bank, the Trustee and the Agent.

2. Status of Senior Notes

This Condition applies only to Senior Notes and references to “Notes” and “Coupons” in this Condition shall be construed accordingly.

The Notes and the relative Coupons (if any) constitute unconditional and unsecured obligations of the Bank and rank *pari passu* without any preference among Notes of the same Series and *pari passu* in right of payment with all other unsecured obligations (other than subordinated obligations and indebtedness entitled to preference under Swedish law) of the Bank, including deposits.

3. Status and Subordination of Dated Subordinated Notes

This Condition applies only to Dated Subordinated Notes and references to “Notes” and “Coupons” in this Condition shall be construed accordingly.

The Notes and the relative Coupons (if any) constitute unsecured, subordinated obligations of the Bank and rank *pari passu* without any preference among Notes of the same Series and at least equally in right of payment with all other present and future Dated Subordinated Indebtedness (as defined below) of the Bank. Subject to applicable law, in any voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank the rights of the holder of any Note and the relative Coupons (if any) shall be subordinated in right of payment to the claims of (i) creditors of the Bank entitled to preference under Swedish law (ii) the depositors and all other unsubordinated creditors of the Bank and (iii) other subordinated creditors of the Bank whose rights are expressed so as to rank in priority to the rights of such holder (subject, however, to the Bank’s undertaking contained in the third paragraph of this Condition 3), but shall rank senior in right of payment to the rights of creditors holding Undated Subordinated Indebtedness of the Bank. Accordingly, the Notes and Coupons (if any) constitute subordinated debt obligations of the Bank (*förlagslån*).

The Bank will not, without the prior approval of an Extraordinary Resolution (as defined in the Trust Deed) of the holders of the Notes of every Series then outstanding, create, assume, grant or permit to be outstanding any Dated Subordinated Indebtedness by the Bank unless such Dated Subordinated Indebtedness is subordinated, subject to applicable law, in the event of the liquidation

(*likvidation*) or bankruptcy (*konkurs*) of the Bank in right of payment so as to rank *pari passu* with or junior to the claims of the holders of such Notes and of the relative Coupons (if any).

In these Conditions, “Indebtedness” means any loan or other indebtedness for moneys borrowed or raised and “Dated Subordinated Indebtedness” means Indebtedness or a guarantee of Indebtedness which is in each case subordinated, subject to applicable law, by its terms in right of payment in any liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank and is repayable or, as the case may be, payable on or before a fixed date (including any such indebtedness which is so repayable at the election of the holder or payee thereof) subject to, where applicable, the prior written consent of the Relevant Regulator (as defined below). “Undated Subordinated Indebtedness” means any Indebtedness or a guarantee of any Indebtedness which is in each case subordinated, subject to applicable law, by its terms in right of payment in any liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank and is not Dated Subordinated Indebtedness and shall include Undated Subordinated Notes, Capital Contribution Securities, Enhanced Capital Contribution Securities and other Capital Instruments (as defined in Condition 5(a)).

In these Conditions, “Relevant Regulator” means the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*) (the “SFSA”) and any successor or replacement thereto, or another authority which has the primary responsibility for the prudential oversight and supervision of the Bank.

4. Status and Subordination of Undated Subordinated Notes

(a) Ranking upon a liquidation or bankruptcy

This Condition 4(a) applies only to Undated Subordinated Notes and references to “Notes” and “Coupons” in this Condition 4(a) shall be construed accordingly.

The Notes and the relative Coupons (if any) constitute unsecured, subordinated obligations of the Bank and, in the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank, the rights of the holder of any Note and the relative Coupons (if any) to payments on or in respect of such Note whether or not the whole or any part of the nominal amount of such Note, together with accrued but unpaid interest (including Arrears of Interest and any Additional Interest Amount (each as defined in Condition 6(e)) (together, for the purposes of this Condition 4 only, “Accrued Interest”)), has been made available in meeting losses of the Bank and such amount has been converted into conditional capital contributions as described below, shall rank:—

- (i) junior in right of payment to the payment of any present or future claims of (a) creditors of the Bank entitled to preference under Swedish law, (b) depositors of the Bank and other unsubordinated creditors of the Bank and (c) creditors of the Bank in respect of Dated Subordinated Indebtedness;
- (ii) *pari passu* without any preference among Notes of the same Series;
- (iii) at least *pari passu* in right of payment with all outstanding Undated Subordinated Indebtedness of the Bank whether or not so converted as described below and senior in right of payment to any Undated Subordinated Indebtedness which constitutes a Capital Instrument or is expressed to rank equally with or junior to any Capital Instrument; and
- (iv) senior in right of payment to payments to holders of all classes of share capital (including preference shares (if any)) of the Bank in their capacity as such holders.

(b) ***Writing down of Undated Subordinated Notes***

This Condition 4(b) applies only to Undated Subordinated Notes and references to “Notes” in this Condition 4(b) shall be construed accordingly.

To the extent that may be required in order to avoid the Bank being obliged to enter into liquidation (*likvidation*), the shareholders of the Bank, by resolution passed at a general meeting, may decide that the nominal amount of the Notes (together with Accrued Interest) be used in meeting losses of the Bank, by writing down the nominal amount (together with Accrued Interest) by the amount required to avoid liquidation (a “Liquidation Avoidance Conversion”) and converting such amount into a conditional capital contribution (*villkorat kapitaltillskott*) (any amount converted into a conditional capital contribution (*villkorat kapitaltillskott*) being referred to in these Conditions as a “Converted Amount”). The rights of the Noteholders in respect of the nominal amount and Accrued Interest so used will thereupon be converted into rights of providers of conditional capital contributions as set out below. Any references in these Conditions to an amount being “utilised” (and similar references) shall mean the use and conversion of such amount into a conditional capital contribution.

Upon utilisation of the nominal amount of the Notes (together with Accrued Interest) (as described above), the Bank shall give notice to the Noteholders in accordance with Condition 17 and, for so long as the Notes are listed on a stock exchange (or any other relevant authority), to that stock exchange (or other relevant authority) of the relevant Converted Amount.

Interest will not accrue on the relevant Converted Amount but Noteholders shall be compensated for loss of interest before payments to shareholders are made, as further described below.

Utilisation of the nominal amount of the Notes (together with Accrued Interest) for the purpose of meeting losses shall be made *pro rata* to the nominal amount (and accrued but unpaid interest) of all other Undated Subordinated Indebtedness not constituting Capital Instruments outstanding at the time of such utilisation. Such utilisation shall only be made after utilisation for the same purpose of any Undated Subordinated Indebtedness either constituting a Capital Instrument or which is expressed to rank in right of payment equally with or junior to a Capital Instrument.

(c) ***Other Provisions***

This Condition 4(c) applies only to Undated Subordinated Notes and references to “Notes” and “Coupons” in this Condition 4(c) shall be construed accordingly.

Utilisation of the nominal amount of the Notes (together with Accrued Interest) as contemplated in Condition 4(b) may only be made if: (a) the Relevant Regulator shall have given its approval thereto and (b) the Articles of Association of the Bank shall, in connection with the implementation of such decision, have been amended by the incorporation of a duly registered Article substantially to the following effect (unless the same is provided for under Swedish law or unless the Articles have previously been amended in connection with a prior such utilisation of Notes or of other Undated Subordinated Indebtedness for the purpose of meeting losses and such Article has not since been amended):—

“Until an amount equal to the portion of the nominal amount of the Notes (together with Accrued Interest), which has been converted to a conditional capital contribution, has been reinstated as debt in full in the balance sheet of the Bank, or such amount has been redeemed (such redemption having been approved by the Relevant Regulator), and the Bank has paid an amount equal to the interest (calculated in accordance with Condition 6(e)(i)) that would have accrued on the Notes in the absence of such conversion as aforesaid, the Bank may neither

distribute dividends or otherwise make payments to its shareholders (except (i) in respect of claims that, in bankruptcy (*konkurs*) or liquidation (*likvidation*), would have priority in right of payment over undated subordinated obligations, or (ii) in connection with the distribution of assets in the event of merger as provided by law) nor redeem any capital contributions that may have been made by shareholders (*aktieägartillskott*). Notwithstanding the foregoing, the Bank may, however, make payments to its shareholders, provided that, in connection with such payment, other measures are taken (i) to ensure that neither the capital stock (including restricted reserves) nor the non-restricted reserves of the Bank will be reduced as compared with the amount of the capital stock (including restricted reserves) and of the non-restricted reserves of the Bank prior to the payment decision or (ii) which will otherwise ensure that the interests of the holders of the Notes are not adversely affected in any respect as a result of such payment to shareholders. Notwithstanding the conversion of the whole or any part of the portion of the nominal amount of the Notes to a conditional capital contribution as described above, in the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank, the rights of the holders of any Notes so converted to payments on or in respect of such Notes shall rank in accordance with the subordination provisions applying to the Notes immediately prior to such conversion, as set out in the Terms and Conditions of the Notes.”

Such utilisation (as described above) of the nominal amount of the Notes (together with Accrued Interest) shall not constitute an Event of Default (as defined in Condition 12(a)).

Reconversion and reinstatement as debt of the relevant Converted Amount as described above and payment of an amount equal to the interest (calculated in accordance with Condition 6(e)(i)) that would have accrued in the absence of such conversion may only be made (i) out of the unappropriated earnings (*disponibla vinstmedel*) of the Bank pursuant to applicable laws on the basis of its then adopted balance sheet and (ii) with the approval of a resolution of the shareholders passed at a general meeting.

Reconversion and reinstatement as debt of a Converted Amount in connection with a Liquidation Avoidance Conversion as described above shall be made *pro rata* with any amounts converted in respect of other Undated Subordinated Indebtedness not constituting Capital Instruments and prior to Undated Subordinated Indebtedness which either constitutes a Capital Instrument or which is expressed to rank in right of payment equally with or junior to a Capital Instrument.

Upon reconversion and reinstatement as debt of the relevant Converted Amount as described above, the Bank shall give notice to the Noteholders in accordance with Condition 17 and, so long as the Notes are listed on a stock exchange (or any other relevant authority), to that stock exchange (or other relevant authority).

If the Bank has made available and converted the nominal amount of the Notes or any part thereof (together with Accrued Interest) to meet losses in accordance with Condition 4(b) on any redemption of the Notes (such redemption having been approved by the Relevant Regulator), the whole of the original nominal amount of the Notes including the relevant Converted Amount (and not part only) shall be redeemed at a redemption price equal to the original nominal amount of the Notes (less the nominal amount of all Notes which have been purchased and cancelled as provided in Condition 7(g)) together with (i) Accrued Interest to but excluding the date of such redemption and (ii) an amount equal to the interest (calculated in accordance with Condition 6(e)(ii)) that would have accrued in the absence of such conversion.

During any period(s) in which part of the nominal amount of the Notes has been made available and converted as aforesaid, interest shall accrue on the balance of the nominal amount of the Notes at the appropriate rate of interest calculated in accordance with Condition 6.

If and to the extent that the relevant Converted Amount has been reconverted and reinstated as debt in the balance sheet of the Bank, interest thereon shall start to accrue again, and become payable in accordance with the terms of the Notes, as from the date of such reinstatement.

The nominal amount of the Notes (together with Accrued Interest) may be utilised and reconverted and reinstated as described above on one or more occasions.

The Bank reserves the right to issue or incur other Undated Subordinated Indebtedness, provided, however, that its payment obligations in respect of such Indebtedness may not, in the event of voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank, rank prior to the Notes. Such Undated Subordinated Indebtedness may include securities ranking inter se as provided in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement with a right to periodic non-cumulative payments or other distributions which are limited by reference to amounts available in accordance with applicable laws for distribution to the Bank's shareholders and which may be redeemed by the Bank in circumstances where the classification of such instruments for regulatory capital purposes has changed and/or in certain other circumstances, all as provided in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

5. Status and Subordination of Capital Contribution Securities and Enhanced Capital Contribution Securities

(a) *Ranking upon a liquidation or bankruptcy*

This Condition 5(a) applies only to Capital Contribution Securities and Enhanced Capital Contribution Securities and references to "Notes" and "Coupons" in this Condition 5(a) shall be construed accordingly.

The Notes and the relative Coupons (if any) constitute unsecured, subordinated obligations of the Bank and, in the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank, the rights of the holder of any Note and the relative Coupons (if any) to payments on or in respect of such Note whether or not the whole or any part of the nominal amount of such Note, together with Accrued Interest (as defined in this Condition 5), has been made available in meeting losses of the Bank and such amount has been converted into conditional capital contributions as described below, shall rank: —

- (i) junior in right of payment to the payment of any present or future claims of (a) creditors of the Bank entitled to preference under Swedish law, (b) depositors of the Bank and other unsubordinated creditors of the Bank, (c) creditors of the Bank in respect of Dated Subordinated Indebtedness and (d) except as expressed in (iii) below, creditors of the Bank in respect of Undated Subordinated Indebtedness.
- (ii) *pari passu* without any preference among Notes of the same Series;
- (iii) at least *pari passu* with any other outstanding Capital Instruments (as defined below) and claims of any other subordinated creditors the claims of which are expressed to rank *pari passu* with the Notes, whether or not so converted as described below; and
- (iv) senior in right of payment to payments to holders of all classes of share capital (including preference shares (if any)) of the Bank in their capacity as such holders.

The Bank reserves the right to issue or incur other Capital Instruments in the future, provided, however, that any such Capital Instruments may not in the event of voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank rank senior to the Notes.

In these Conditions (unless otherwise provided):

“Accrued Interest” means interest accrued from and including the immediately preceding Interest Payment Date to but excluding the date on which utilisation of the nominal amount of the Notes (as described below) takes place.

“Capital Instrument” means any subordinated and undated debt instrument of the Bank, the right to periodic interest or other payments in respect of which are non-cumulative and limited by reference to the Available Distributable Funds (*utdelningsbara medel*) (as defined in Condition 6(f)) of the Bank and which rank *pari passu*, as to payments in a voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank, with Capital Contribution Securities and Enhanced Capital Contribution Securities and includes (without limitation and for the avoidance of doubt) Capital Contribution Securities and Enhanced Capital Contribution Securities.

(b) Writing down of Capital Contribution Securities

This Condition 5(b) applies only to Capital Contribution Securities and references to “Notes” in this Condition 5(b) shall be construed accordingly.

To the extent that may be required in order to avoid the Bank being obliged to enter into liquidation (*likvidation*), the shareholders of the Bank, by resolution passed at a general meeting, may decide that the nominal amount of the Notes (together with Accrued Interest) should be used in meeting losses of the Bank, by a Liquidation Avoidance Conversion of the amount required to avoid liquidation and converting the Converted Amount (as defined in Condition 4(b)) into a conditional capital contribution (*villkorat kapitaltillskott*). The rights of Noteholders in respect of the nominal amount and Accrued Interest so used will thereupon be converted into rights of providers of conditional capital contributions as set out below.

Upon utilisation of the nominal amount of the Notes (together with Accrued Interest) (as described above), the Bank shall give notice to the Noteholders in accordance with Condition 17 and, for so long as the Notes are listed on a stock exchange (or any other relevant authority), to that stock exchange (or other relevant authority) of the relevant Converted Amount.

Interest will not accrue on the Converted Amount.

Utilisation of the nominal amount of the Notes (together with Accrued Interest) for the purpose of meeting losses shall be made prior to the utilisation for the same purpose of Undated Subordinated Indebtedness not constituting Capital Instruments and shall be made *pro rata* to the nominal amount (and accrued but unpaid interest) of all other Capital Instruments outstanding at the time of such utilisation.

(c) Writing down of Enhanced Capital Contribution Securities

This Condition 5(c) applies only to Enhanced Capital Contribution Securities and references to “Notes” in this Condition 5(c) shall be construed accordingly.

The shareholders of the Bank, by resolution passed at a general meeting, may decide that the nominal amount of the Notes (together with Accrued Interest) be utilised in meeting losses of the Bank by writing down the nominal amount (together with Accrued Interest) by the amount which the shareholders of the Bank in such general meeting, in their absolute discretion, determine is required by the Bank either (x) for a Liquidation Avoidance Conversion or (y) to avoid or, as appropriate, remedy any breach (a “Regulatory Breach Avoidance Conversion”) of Applicable Banking Regulations by the Bank or the Financial Group (as the corresponding Swedish term is defined in Chapter 9, Section 1 of the Swedish Capital Adequacy and Large Exposures Act (*Lag* (2006:1371) *om*

kapitaltäckning och stora exponeringar), as amended or replaced) and converting such amount into a conditional capital contribution (*villkorat kapitaltillskott*). The rights of Noteholders in respect of the nominal amount and Accrued Interest so used will thereupon be converted into rights of providers of conditional capital contributions as set out below.

Upon utilisation of the nominal amount of the Notes (together with Accrued Interest) (as described above), the Bank shall give notice to the Noteholders in accordance with Condition 17 and, for so long as the Notes are listed on a stock exchange (or any other relevant authority), to that stock exchange (or other relevant authority) of the relevant Converted Amount and whether such Converted Amount relates to a Liquidation Avoidance Conversion or a Regulatory Breach Avoidance Conversion.

Interest will not accrue on the relevant Converted Amount.

In the case of any Liquidation Avoidance Conversion, utilisation of the nominal amount of the Notes (together with Accrued Interest) shall be made prior to utilisation for the same purpose of Undated Subordinated Indebtedness not constituting Capital Instruments and shall be made *pro rata* to the nominal amount (and accrued but unpaid interest) of all other Capital Instruments outstanding at the time of such utilisation. In the case of any Regulatory Breach Avoidance Conversion, utilisation of the nominal amount of the Notes (together with Accrued Interest) shall be made prior to utilisation for the same purpose of any Undated Subordinated Indebtedness not constituting Capital Instruments and shall be made *pro rata* to the nominal amount (and accrued but unpaid interest) of all other Capital Instruments (which contain provisions permitting a Regulatory Breach Avoidance Conversion) outstanding at the time of such utilisation.

In these Conditions, “Applicable Banking Regulations” means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in Sweden including, without limitation to the generality of the foregoing, those regulations, requirements, guidelines and policies relating to capital adequacy then in effect of the Relevant Regulator (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Bank or the Financial Group).

(d) ***Other provisions***

This Condition 5(d) applies only to Capital Contribution Securities and Enhanced Capital Contribution Securities and references to “Notes” in this Condition 5(d) shall be construed accordingly.

Utilisation of the nominal amount of the Notes (together with Accrued Interest) as contemplated in Condition 5(b) or Condition 5(c), as the case may be, may only be made if: (a) the Relevant Regulator shall have given its approval thereto; and (b) the Articles of Association of the Bank shall, in connection with the implementation of such decision, have been amended by the incorporation of a duly registered Article substantially to the following effect (unless the same is provided for under Swedish law or unless the Articles of Association have previously been amended in connection with a prior such utilisation of the Notes or of other Capital Instruments for the purpose of meeting losses and such Article has not since been amended):

“Until an amount equal to the portion of the nominal amount of the Notes (and of unpaid interest from the immediately preceding interest payment date or, if none, the interest commencement date), which has been converted into a conditional capital contribution, has been reinstated as debt in full in the balance sheet of the Bank, or such amount has been redeemed (such redemption having been approved by the Relevant Regulator), the Bank may neither distribute dividends nor otherwise make payments to its shareholders (except (i) in respect of claims that, in bankruptcy (*konkurs*) or liquidation (*likvidation*), would have

priority in right of payment over undated non-cumulative subordinated obligations, or (ii) in connection with the distribution of assets in the event of merger as provided by law) nor redeem any capital contributions that may have been made by shareholders (*aktieägartillskott*). Notwithstanding the foregoing, the Bank may, however, make payments to its shareholders, provided that, in connection with such payment, other measures are taken (i) to ensure that neither the capital stock (including restricted reserves) nor the non-restricted reserves of the Bank will be reduced as compared with the amount of the capital stock (including restricted reserves) and of the non-restricted reserves prior to the payment decision or (ii) which will otherwise ensure that the interests of the holders are not adversely affected in any respect as a result of such payment to shareholders. Notwithstanding the conversion of the whole or any part of the portion of the nominal amount of the Notes to a conditional capital contribution as described above, in the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank, the rights of the holders of any Notes so converted to payments on or in respect of such Notes shall rank in accordance with the subordination provisions applying to the Notes immediately prior to such conversion, as set out in the Terms and Conditions of the Notes.”

Such utilisation (as described above) of the nominal amount of the Notes (together with Accrued Interest) shall not constitute an Event of Default (as defined in Condition 12(b)).

Reconversion and reinstatement as debt of the relevant Converted Amount (in whole or in part) may only be made (i) out of unappropriated earnings (*disponibla vinstmedel*) of the Bank pursuant to applicable laws on the basis of its then adopted balance sheet and (ii) with the approval of a resolution of the shareholders passed at a general meeting. Reconversion and reinstatement shall first be made in respect of Undated Subordinated Indebtedness (other than Capital Instruments) before it is made in respect of Capital Instruments.

Reconversion and reinstatement as debt of a Converted Amount in connection with a Liquidation Avoidance Conversion shall be made *pro rata* first as to interest and thereafter as to principal with any amounts converted in respect of other Capital Instruments and after any amounts converted in respect of Undated Subordinated Indebtedness not constituting Capital Instruments.

Reconversion and reinstatement as debt of a Converted Amount in connection with a Regulatory Breach Avoidance Conversion shall be made *pro rata* first as to interest and thereafter as to principal with any amounts converted in respect of other Capital Instruments and after any amounts converted in respect of Undated Subordinated Indebtedness not constituting Capital Instruments.

Upon reconversion and reinstatement as debt of the relevant Converted Amount as described above, the Bank shall give notice to holders in accordance with Condition 17 and, for so long as the Notes are listed on a stock exchange (or any other relevant authority), to that stock exchange (or other relevant authority).

If the Bank has made available and converted the nominal amount of the Notes or any part thereof (together with Accrued Interest) to meet losses in accordance with Condition 5(b) or Condition 5(c), as the case may be, on any redemption of the Notes (such redemption having been approved by the Relevant Regulator), the whole of the original nominal amount of the Notes including the Converted Amount (and not part only) shall be redeemed at a redemption price equal to the original nominal amount of the Notes (less the nominal amount of all the Notes which have been purchased and cancelled as provided in Condition 7(g)) together with interest accrued from and including the immediately preceding Interest Payment Date to but excluding the date of such redemption.

During any period(s) in which part of the nominal amount of the Notes has been made available and converted as aforesaid, interest shall accrue on the balance of the nominal amount of the Notes at the appropriate rate of interest.

If and to the extent that the relevant Converted Amount has been reconverted and reinstated as debt in the balance sheet of the Bank, interest thereon shall start to accrue again, and become payable in accordance with the terms of the Notes, as from the date of such reconversion and reinstatement.

The nominal amount of the Notes (together with Accrued Interest) may be utilised and reconverted and reinstated as described above on one or more occasions.

No holder who shall in the event of the liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank be indebted to it shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Bank in respect of the Notes held by it.

6. Interest

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date (if any).

If the Notes are in definitive form, except as provided in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, amount to the Broken Amount(s) so specified.

In these Conditions, “Fixed Interest Period” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month on which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is: —

- (1) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (2) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (3) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

Unless the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement specify that the Business Day Convention is “adjusted”, any such adjustment to an

Interest Payment Date shall not affect the amount of interest payable in respect of a Fixed Rate Note and, for the purposes of the determination of any amount in respect of interest and the applicable Day Count Fraction, the number of days in the relevant period shall be calculated on the basis that no adjustment has been made to the relevant Interest Payment Date.

Fixed Rate Notes for which the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement specify the Business Day Convention as “adjusted” are “Adjusted Fixed Rate Notes”.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (i) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (ii) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

In this Condition 6(a) or, if so specified, in Condition 6(b):

“Business Day” has the meaning given in Condition 6(c);

“Day Count Fraction” means in respect of the calculation of an amount of interest in accordance with this Condition 6(a) or Condition 6(b): —

- (i) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement:
 - (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “Accrual Period”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) that would occur in one calendar year; or
 - (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by

the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) that would occur in one calendar year; and

- (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;
- (ii) if “30/360” is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; and
- (iii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the actual number of days in the Fixed Interest Period divided by 365; and

“Determination Period” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and “sub-unit” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) ***Interest on Reset Notes***

(i) *Accrual of Interest*

Each Reset Note bears interest:

- (a) from (and including) the Interest Commencement Date to (but excluding) the First Reset Date (the “Initial Period”), at the Initial Rate of Interest;
- (b) for the First Reset Interest Period, at the First Reset Rate of Interest; and
- (c) for each subsequent Reset Interest Period thereafter (if any) to (but excluding) the Maturity Date (if any), at the relevant Subsequent Reset Rate of Interest.

Interest will be payable, in each case, in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date (if any).

If the Notes are in definitive form, except as provided in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of each Interest Period falling in the Initial Period will amount to the Fixed Coupon Amount. Payments of interest on the first Interest Payment Date will, if so specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, amount to the Broken Amount(s) so specified.

If a Business Day Convention is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month on which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is: —

- (1) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (2) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (3) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

Unless the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement specify that the Business Day Convention is “adjusted”, any such adjustment to an Interest Payment Date shall not affect the amount of interest payable in respect of a Reset Note and, for the purposes of the determination of any amount in respect of interest and the applicable Day Count Fraction, the number of days in the relevant period shall be calculated on the basis that no adjustment has been made to the relevant Interest Payment Date.

The Agent will at or as soon as practicable after each time at which a Rate of Interest in respect of a Reset Interest Period is to be determined, determine the relevant Rate of Interest for such Reset Interest Period.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the Agent will calculate the amount of interest (the “Reset Notes Interest Amount”) payable on the Reset Notes for the relevant Interest Period by applying the relevant Rate of Interest to:

- (ii) in the case of Reset Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (iii) in the case of Reset Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Reset Note in definitive form is a multiple of the Calculation Amount, the Reset Notes Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

In this Condition 6(b):

“Business Day” has the meaning given in Condition 6(c);

“Day Count Fraction” has the meaning given in Condition 6(a);

“First Reset Date” means the date specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

“First Reset Interest Period” means the period from (and including) the First Reset Date to (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the Maturity Date (if any);

“First Reset Margin” means the margin specified as such in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

“First Reset Rate of Interest” means, in respect of the First Reset Interest Period and subject to Condition 6(b)(ii), the rate of interest determined by the Agent on the relevant Reset Interest Determination Date as the sum of the relevant Mid-Swap Rate and the First Reset Margin;

“Initial Mid-Swap Rate” has the meaning specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

“Initial Rate of Interest” has the meaning specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

“Interest Period” has the meaning given in Condition 6(c);

“Mid-Market Swap Rate” means for any Reset Interest Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Interest Period (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Interest Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Agent);

“Mid-Market Swap Rate Quotation” means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

“Mid-Swap Floating Leg Benchmark Rate” means EURIBOR (if the Specified Currency is euro), LIBOR (if the Specified Currency is U.S. dollars or pounds sterling), CIBOR (if the Specified Currency is Danish Kroner), NIBOR (if the Specified Currency is Norwegian Kroner), STIBOR (if the Specified Currency is Swedish Kronor), HIBOR (if the Specified Currency is Hong Kong dollars) or (in the case of any other Specified Currency) the benchmark rate most closely connected with such Specified Currency and selected by the Agent in its discretion after consultation with the Bank;

“Mid-Swap Rate” means, in relation to a Reset Interest Determination Date and subject to Condition 6(b)(ii), either:

- (i) if Single Mid-Swap Rate is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the rate for swaps in the Specified Currency:
 - (a) with a term equal to the relevant Reset Interest Period; and

(b) commencing on the relevant Reset Date;

which appears on the Relevant Screen Page; or

(ii) if Mean Mid-Swap Rate is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the fifth decimal place, with 0.0005 per cent. being rounded upwards) of the bid and offered swap rate quotations for swaps in the Specified Currency:

(a) with a term equal to the relevant Reset Interest Period; and

(b) commencing on the relevant Reset Date,

which appear on the Relevant Screen Page,

in either case, as at approximately the Relevant Time on such Reset Interest Determination Date, all as determined by the Agent;

“Rate of Interest” means the Initial Rate of Interest, the First Reset Rate of Interest or the relevant Subsequent Reset Rate of Interest, as applicable;

“Relevant Reset Margin” means, in respect of a Reset Interest Period, whichever of the First Reset Margin or the Subsequent Reset Margin is applicable for the purpose of determining the Rate of Interest in respect of such Reset Interest Period;

“Relevant Time” has the meaning specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

“Reset Date” means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable);

“Reset Interest Determination Date” means, in respect of a Reset Interest Period, the date specified as such in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

“Reset Interest Period” means the First Reset Interest Period or a Subsequent Reset Interest Period, as the case may be;

“Reset Reference Banks” means the principal office in the principal financial centre of the Specified Currency of five major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Agent in its discretion after consultation with the Bank;

“Second Reset Date” means the date specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

“Subsequent Reset Interest Period” means the period from (and including) the Second Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date or the Maturity Date (if any), as the case may be; and

“Subsequent Reset Margin” means the margin specified as such in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

“Subsequent Reset Rate of Interest” means, in respect of any Subsequent Reset Interest Period and subject to Condition 6(b)(ii), the rate of interest determined by the Agent on the relevant Reset Interest Determination Date as the sum of the relevant Mid-Swap Rate and the relevant Subsequent Reset Margin.

(ii) *Fallbacks*

If on any Reset Interest Determination Date, the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page as of the Relevant Time on such Reset Interest Determination Date, the Rate of Interest applicable to the Notes in respect of each Interest Period falling in the relevant Reset Interest Period will be determined by the Agent on the following basis:

- (a) the Agent shall request each of the Reset Reference Banks to provide the Agent with its Mid-Market Swap Rate Quotation as at approximately the Relevant Time on the Reset Interest Determination Date in question;
- (b) if at least three of the Reset Reference Banks provide the Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Interest Period will be equal to the sum of (A) the arithmetic mean (rounded, if necessary, to the fifth decimal place, with 0.0005 per cent. being rounded upwards) of the relevant quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest (or, in the event of equality, one of the lowest) and (B) the Relevant Reset Margin, all as determined by the Agent;
- (c) if only two relevant quotations are provided, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Interest Period will be equal to the sum of (A) the arithmetic mean (rounded as aforesaid) of the relevant quotations provided and (B) the Relevant Reset Margin, all as determined by the Agent;
- (d) if only one relevant quotation is provided, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Interest Period will be equal to the sum of (A) the relevant quotation provided and (B) the Relevant Reset Margin, all as determined by the Agent; and
- (e) if none of the Reset Reference Banks provides the Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this Condition, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) will be either
 - (1) equal to the sum of (A) the Mid-Swap Rate determined on the last preceding Reset Interest Determination Date and (B) the Relevant Reset Margin or, in the case of the first Reset Interest Determination Date, the First Reset Rate of Interest will be equal to the sum of (A) the Initial Mid-Swap Rate and (B) the Relevant Reset Margin, all as determined by the Agent; or
 - (2) determined by the Agent taking into consideration all available information that it in good faith deems relevant,

as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

(iii) *Notification of Rate of Interest and Reset Notes Interest Amounts*

In respect of each Reset Interest Period, the Agent will cause the Rate of Interest in respect of such Reset Interest Period and each Reset Notes Interest Amount for each Interest Period falling in such Reset Interest Period to be notified to the Bank, the Trustee and any stock exchange or listing authority on which the relevant Reset Notes are for the time being listed and notice thereof to be published in accordance with Condition 17 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Reset Notes Interest Amount so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange or listing authority on which the relevant Reset Notes are for the time being listed, to the Trustee and, in accordance with Condition 17, to the Noteholders. For the purposes of this paragraph, the expression “London Business Day” has the meaning given to such term in Condition 6(c).

(iv) *Determination or calculation by Trustee*

If for any reason the Agent does not at any time determine the Rate of Interest in respect of a Reset Interest Period or calculate any Reset Notes Interest Amount in accordance with this paragraph (b), the Trustee shall determine the relevant Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition 6), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the relevant Rate of Interest or calculate any Reset Notes Interest Amount in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent.

(v) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this paragraph (b), whether by the Agent or the Trustee, shall (in the absence of manifest error) be binding on the Bank, the Trustee, the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Bank, the Noteholders or the Couponholders shall attach to the Agent or the Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretions pursuant to such provisions.

(c) ***Interest on Floating Rate Notes***

(i) *Interest Payment Dates*

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either: —

- (A) the Specified Interest Payment Date(s) (each an “Interest Payment Date”) in each year specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an “Interest Payment Date”) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month on which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is: —

- (1) in any case where Specified Periods are specified in accordance with Condition 6(c)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, “Business Day” means a day which is both: —

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the “TARGET2 System”) is open.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (A), “ISDA Rate” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes, (the “ISDA Definitions”) and under which:—

- (1) the Floating Rate Option is as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;
- (2) the Designated Maturity is a period specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement; and
- (3) the relevant Reset Date is the day specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

For the purposes of this sub-paragraph (A), “Floating Rate”, “Calculation Agent”, “Floating Rate Option”, “Designated Maturity” and “Reset Date” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:—

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at the Relevant Time in the Relevant Financial Centre on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement provides that if the Relevant Screen Page is not available or if in the case of Condition 6(c)(ii)(B)(1) above, no such offered quotation appears or, in the case of Condition 6(c)(ii)(B)(2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph the Agent shall request each of the Reference Banks to provide the Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Relevant Time in the Relevant Financial Centre on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent.

The Agency Agreement provides that if on any Interest Determination Date one only or none of the Reference Banks provides the Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Relevant Time in the Relevant Financial Centre on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the inter-bank market of the Relevant Financial Centre (if any other Reference Rate is used) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Relevant Time in the Relevant Financial Centre on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the inter-bank market of the Relevant Financial Centre (if any other Reference Rate is used) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

In these Conditions:

“Interest Determination Date” means the date specified as such in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement or if none is so specified:

- (i) if the Reference Rate is the London interbank offered rate (“LIBOR”) (other than Sterling LIBOR or Euro LIBOR), the second London business day prior to the start of each Interest Period;
- (ii) if the Reference Rate is Sterling LIBOR, the first day of each Interest Period;

- (iii) if the Reference Rate is Euro LIBOR or the Euro-zone interbank offered rate (“EURIBOR”), the second day on which the TARGET2 System is open prior to the start of each Interest Period;
- (iv) if the Reference Rate is the Stockholm interbank offered rate (“STIBOR”), the second Stockholm business day prior to the start of each Interest Period;
- (v) if the Reference Rate is the Norwegian interbank offered rate (“NIBOR”), the Second Oslo business day prior to the start of each Interest Period;
- (vi) if the Reference Rate is the Copenhagen interbank offered rate (“CIBOR”), the first day of each Interest Period or the second Copenhagen business day prior to the start of each Interest Period; or
- (vii) if the Reference Rate is the Hong Kong interbank offered rate (“HIBOR”), the first day of each Interest Period.

“Reference Banks” means, in the case of Condition 6(c)(ii)(B)(1) above, those banks whose offered rates were used to determine such quotation when such quotation last appeared on the Relevant Screen Page and, in the case of Condition 6(c)(ii)(B)(2) above, those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared.

“Reference Rate” means (i) LIBOR; (ii) EURIBOR; (iii) STIBOR; (iv) NIBOR; (v) CIBOR; or (vi) HIBOR, in each case for the relevant period, as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, or, in the case of Exempt Notes, such other Reference Rate as shall be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

“Relevant Financial Centre” means (i) London, in the case of a determination of LIBOR; (ii) Brussels, in the case of a determination of EURIBOR; (iii) Stockholm, in the case of a determination of STIBOR; (iv) Oslo, in the case of a determination of NIBOR; (v) Copenhagen, in the case of a determination of CIBOR; or (vi) Hong Kong, in the case of a determination of HIBOR, as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, or, in the case of Exempt Notes, such other Relevant Financial Centre as shall be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement; and

“Relevant Time” shall mean (i) in the case of LIBOR, 11.00 a.m.; (ii) in the case of EURIBOR, 11.00 a.m.; (iii) in the case of STIBOR, 11.00 a.m.; (iv) in the case of NIBOR, 12.00 noon; (v) in the case of CIBOR, 11.00 a.m.; or (vi) in the case of HIBOR, 11.00 a.m., in each case in the Relevant Financial Centre, or, in the case of Exempt Notes, such other time as shall be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

(iii) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of

paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *Determination of Rate of Interest and calculation of Interest Amounts*

The Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the “Interest Amount”) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (ii) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

In this Condition 6(b):

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 6(b): —

- (i) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/360” is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (iv) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (v) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

- (vi) if “30E/360 (ISDA)” is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30; and

- (vii) if “Actual/365 (Sterling)” is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366.

(v) *Linear Interpolation*

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

“Designated Maturity” means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(vi) *Notification of Rate of Interest and Interest Amounts*

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Bank, the Trustee and any stock exchange or listing authority on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 17 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative

arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange or listing authority on which the relevant Floating Rate Notes are for the time being listed, to the Trustee and, in accordance with Condition 17, to the Noteholders. For the purposes of this paragraph, the expression “London Business Day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(vii) *Determination or calculation by Trustee*

If for any reason the Agent does not at any time determine the Rate of Interest or calculate any Interest Amount in accordance with this paragraph 6(c), the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition 6 but subject always to any minimum or maximum Rate of Interest specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent.

(viii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this paragraph (b), whether by the Agent or the Trustee, shall (in the absence of manifest error) be binding on the Bank, the Agent, the Trustee, the other Paying Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Bank, the Noteholders or the Couponholders shall attach to the Agent or the Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretions pursuant to such provisions.

(d) *Accrual of Interest*

Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the due date for its redemption unless payment of principal is improperly withheld or refused or, in the case of Undated Subordinated Notes, Capital Contribution Securities or Enhanced Capital Contribution Securities, the consent of the Relevant Regulator for such payment has not been given or, having been given, has been withdrawn and not replaced and such payment is not made. In such event, interest will continue to accrue as provided in the Trust Deed.

(e) *Interest Deferral in respect of Undated Subordinated Notes*

This Condition 6(e) applies only to Undated Subordinated Notes and references to “Notes” in this Condition 6(e) shall be construed accordingly. All payments of interest in respect of Undated Subordinated Notes are subject to the provisions of this Condition 6(e).

(i) *Optional Interest Payments*

On any Optional Interest Payment Date (as defined below), the Bank may elect not to pay the interest in respect of the Notes accrued to that date, in which event the Bank shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Bank for any purpose. Any interest in respect of the Notes not paid on an Optional Interest Payment Date shall, so long as the same remains outstanding, constitute “Arrears of Interest” and be payable as outlined below.

An “Optional Interest Payment Date” means any Interest Payment Date in respect of which either (i) no dividend has been declared or paid on or with respect to any class of share capital of the Bank at the most recent annual general meeting of the Bank immediately prior to such Interest Payment Date or (ii) the Bank has had an operating loss in the financial year most recently ended prior to such Interest Payment Date.

The Bank is required to pay interest on the Notes on each Interest Payment Date which is not an Optional Interest Payment Date.

The deferral of any payment of interest otherwise due on any Optional Interest Payment Date in accordance with this Condition 6(e) shall not constitute an Event of Default.

(ii) *Arrears of Interest*

Arrears of Interest (together with the corresponding Additional Interest Amount, as defined below) may, at the option of the Bank, be paid in whole or in part at any time but Arrears of Interest (together with the corresponding Additional Interest Amount) in respect of all Notes for the time being outstanding shall become due and payable on the earliest of: —

- (A) the date upon which a dividend is next paid on, or with respect to, any class of share capital of the Bank;
- (B) any date fixed for redemption of the Notes; and
- (C) a decree or order being made by a court or agency or supervisory authority in the Kingdom of Sweden having jurisdiction in respect of the same for the bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Bank or a resolution being passed for the liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Bank.

Each amount of Arrears of Interest shall bear interest (as if it constituted the nominal amount of the Notes) at a rate which corresponds to the rate from time to time applicable to the Notes and the amount of such interest (the “Additional Interest Amount”) with respect to Arrears of Interest shall be due and payable pursuant to this Condition 6(e) and shall be calculated by the Agent applying the relevant rate to the amount of the Arrears of Interest and otherwise mutatis mutandis as provided in the foregoing provisions of this Condition 6. The Additional Interest Amount accrued up to any Interest Payment Date shall be added, for the purpose only of calculating the Additional Interest Amount accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date so that it will itself become Arrears of Interest.

Any reference in these Conditions and the Trust Deed to interest in respect of Undated Subordinated Notes shall be deemed to include Arrears of Interest and any Additional Interest Amounts, unless the context requires otherwise.

(iii) *Notice of Interest Deferral and Payment of Arrears of Interest and Additional Interest Amounts*

The Bank shall give not more than 20 nor less than five Business Days’ prior notice to the Agent, to the Trustee and in accordance with Condition 17 to the Noteholders: —

- (x) of any Optional Interest Payment Date on which, pursuant to the provisions of paragraph (i) of this Condition 6(e), interest will not be paid; and
- (y) of any date upon which amounts in respect of Arrears of Interest and Additional Interest Amounts shall become due and payable.

(iv) *Partial Payment of Arrears of Interest*

If amounts in respect of Arrears of Interest and Additional Interest Amounts are at any time only partially payable: —

- (x) all unpaid amounts of Arrears of Interest shall be payable before any Additional Interest Amounts;
- (y) Arrears of Interest accrued for any period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier period and the order of payment of Additional Interest Amounts shall follow that of the Arrears of Interest to which they relate; and
- (z) the amount of Arrears of Interest or Additional Interest Amounts payable in respect of any Note in respect of any period shall be *pro rata* to the total amount of all unpaid Arrears of Interest or, as the case may be, Additional Interest Amounts accrued in respect of that period to the date of payment.

(f) ***Limitations on Payment of Interest in respect of Capital Contribution Securities and Enhanced Capital Contribution Securities***

(i) *Capital Contribution Securities and Enhanced Capital Contribution Securities*

All payments of interest in respect of Capital Contribution Securities and Enhanced Capital Contribution Securities are subject to the provisions of this Condition 6(f).

(ii) *Capital Contribution Securities*

This Condition 6(f)(ii) applies only to Capital Contribution Securities and references to “Notes” in this Condition 6(f)(ii) shall be constructed accordingly.

Payments of interest in any fiscal year (for the purposes of this Condition 6(f)(ii), the “relevant year”) are limited to, and may not exceed, the accumulated Available Distributable Funds (*utdelningsbara medel*) of the Bank as of the end of the preceding fiscal year (for the purposes of this Condition 6(f)(ii), the “relevant Available Distributable Funds”). Where the amount of interest due on the Notes (when aggregated with the amount of interest payable on other Capital Instruments issued by the Bank), in each case in the relevant year exceeds the amount of relevant Available Distributable Funds, the Bank will pay interest only to the extent that the amount of such payment (when aggregated with the amount of interest payable in the relevant year on other Capital Instruments issued by the Bank) does not exceed the amount of relevant Available Distributable Funds.

In respect of any relevant year, to the extent that the amount of relevant Available Distributable Funds exceeds the full amount of interest due in the relevant year in respect of the Notes (and all other Capital Instruments issued by the Bank), the Bank is obliged to pay such interest in full. If the Bank is unable to pay interest in full on the Notes (and all other Capital Instruments issued by the Bank) in any relevant year as a result of the amount of relevant Available Distributable Funds being less than the aggregate interest amount due in the relevant year, the Bank is obliged to pay such interest on a *pro rata* basis in an aggregate principal amount equal to the relevant Available Distributable Funds.

If the Bank does not have sufficient Available Distributable Funds (*utdelningsbara medel*) to pay the accrued interest on the Notes from time to time, the Bank shall give not less than five Business Days’ prior notice to the Noteholders in accordance with Condition 17.

If, and to the extent that Available Distributable Funds (*utdelningsbara medel*) are not available and the Bank makes partial payment of, or does not pay, accrued interest, the right of Noteholders to receive accrued but unpaid interest in respect of any such Interest Period will be lost. The Bank will have no obligation to make such payments of unpaid interest or to pay interest thereon, whether or not payments of interest in respect of subsequent interest periods are made, and such unpaid interest will be deemed not to have “accrued” or been earned for any purpose.

(iii) *Enhanced Capital Contribution Securities*

This Condition 6(f)(iii) applies only to Enhanced Capital Contribution Securities and references to “Notes” in this Condition 6(f)(iii) shall be constructed accordingly.

The Bank may elect to cancel any payment of interest other than (subject as provided in the next paragraph) a Mandatory Interest Payment which is otherwise scheduled to be paid on an Interest Payment Date by giving notice of such election to the Agent, to the Trustee and to the Noteholders in accordance with Condition 17 not less than five Business Days prior to the relevant Interest Payment Date. Any amount of interest not paid by the Bank as a result of such election will be lost.

Payments of interest in any fiscal year (for the purposes of this Condition 6(f)(iii), the “relevant year”) are limited to, and may not exceed, the accumulated Available Distributable Funds (*utdelningsbara medel*) of the Bank as of the end of the preceding fiscal year (for the purposes of this Condition 6(f)(iii), the “relevant Available Distributable Funds”). Where the amount of interest due on the Notes (when aggregated with the amount of interest payable on other Capital Instruments issued by the Bank), in each case in the relevant year exceeds the amount of relevant Available Distributable Funds, the Bank will pay interest only to the extent that the amount of such payment (when aggregated with the amount of interest payable in the relevant year on other Capital Instruments issued by the Bank) does not exceed the amount of relevant Available Distributable Funds. If the Bank is unable to pay interest in full on the Notes (and all other Capital Instruments issued by the Bank) in any relevant year as a result of the amount of relevant Available Distributable Funds being less than the aggregate interest amount due in the relevant year, the Bank is obliged to pay such interest on a *pro rata* basis in an aggregate principal amount equal to the relevant Available Distributable Funds.

Such payment obligations of the Bank are, in any event, subject to the right of the Bank set out above to cancel all such payments on the Notes. If, and to the extent that Available Distributable Funds (*utdelningsbara medel*) are not available and the Bank makes partial payment of, or does not pay, accrued interest, the right of Noteholders to receive accrued but unpaid interest in respect of any such Interest Period will be lost. The Bank will have no obligation to make such payments of unpaid interest thereon, whether or not payments of interest in respect of subsequent interest periods are made, and such unpaid interest will be deemed not to have “accrued” or been earned for any purpose.

Any payment of interest (or part thereof) required not to be paid by reason of the preceding paragraph is referred to herein as a “Compulsory Cancellation Interest Payment”.

In determining whether or not to pay a dividend to its ordinary share capital out of Available Distributable Funds (*utdelningsbara medel*), the Bank is subject to relevant principles of Swedish law, including Chapter 17, Section 3 of the Swedish Companies Act which provides, *inter alia*, that “a value transfer may not take place where, after the transfer, there is insufficient coverage for the company’s restricted equity.” For these purposes, a “value transfer” would include, *inter alia*, a dividend.

The cancellation of any payment of interest otherwise due on any Interest Payment Date in accordance with this Condition 6(f) shall not constitute an Event of Default. The Bank undertakes that, in the event that any payment of interest is cancelled by it as described above, it will not:

- (i) declare or pay any distribution or dividend or make any other payment on, and will procure that no distribution or dividend or other payment is made on, any Stopper Securities; or
- (ii) redeem, purchase, cancel, reduce or otherwise acquire any Stopper Securities,

in each case unless or until the amounts of interest due and payable on any subsequent Interest Payment Date in respect of one or more interest periods which together represent at least 12 months on all outstanding Notes have been paid in full (or an amount equal to the same has been duly set aside or provided for in full for the benefit of the Noteholders).

In this Condition 6(f)(iii):

“Stopper Securities” means (i) any share capital of the Bank and (ii) any other securities of the Bank which rank in right of payment *pari passu* with, or junior to, the Notes save for any such securities (A) the issue date of which falls prior to the Issue Date of the Notes, or if the Notes comprise more than one Tranche, the Issue Date of the first Tranche and (B) the terms of which do not permit the Bank to defer, pass on, cancel or eliminate the relevant distribution, dividend or payment; and

“Mandatory Interest Payment” means a payment of interest which is not a Compulsory Cancellation Interest Payment and:

- (i) in respect of which on the relevant Interest Payment Date the Notes would cease to be eligible to qualify (save where such non-qualification is only as a result of any applicable limitation on the amount of such capital) as regulatory capital of the relevant class for the Bank under Applicable Banking Regulations; or
- (ii) where the Bank elected to cancel a payment of interest on the preceding Interest Payment Date in accordance with this Condition 6(f) and, at any time since such Interest Payment Date, a general meeting of the Bank’s shareholders validly declared a dividend on any share capital of the Bank in accordance with the Swedish Companies Act notwithstanding the Bank’s undertaking not to do so set out above.

Under the Swedish Companies Act (Aktiebolagslagen 2005:551), as currently in force, shareholders of a Swedish limited liability company owning in aggregate ten per cent. or more of the outstanding shares of such company have the right to demand the payment of dividends from the profits of the company. Following such request, the general meeting of shareholders will, however, not be obliged to declare dividends exceeding the lower of (1) half of the net profit for the year less (i) any loss carried forward, to the extent it exceeds free reserves and the statutory reserve, (ii) any amount which, by law or the company’s articles of association, must be allocated to restricted equity and (iii) amounts which, pursuant to the company’s articles of association, may not be used for any purpose other than distributions to shareholders and (2) an amount corresponding to five per cent. of the shareholders’ equity. There is also a general rule stating that a company may distribute dividends only provided that the dividend appears to be justified taking into consideration:

- the demands with respect to size of shareholders’ equity which are imposed by the nature, scope and risks associated with the company’s and the group’s operations; and
- the company’s and its group’s need to strengthen its balance sheet, liquidity and financial position in general.

It should also be noted that, due to the ranking of the different corporate governance bodies of a Swedish limited liability company, the general meeting of shareholders being superior and the

only one competent to decide upon a distribution of dividends to shareholders, it is, as a matter of principle, not formally possible to prevent a general meeting of shareholders resolving that dividends shall be paid by such company, even if the distribution of such dividends may contradict or breach an undertaking which has been entered into by the company.

This sentence and the paragraphs set out above in italics shall not form part of the Conditions.

(iv) ***Definitions***

In these Conditions:

“Available Distributable Funds (*utdelningsbara medel*)” of the Bank shall mean that amount which pursuant to Chapter 17, Section 3, first paragraph of the Swedish Companies Act is available as of the end of any fiscal year (including the profit reported on the balance sheet for such fiscal year as approved by the Bank’s shareholders) to be distributed by the Bank to its shareholders; and

“Swedish Companies Act” means the Swedish Companies Act (*Aktiebolagslagen* 2005:551).

7. Redemption and Purchase

(a) ***At Maturity***

Unless previously redeemed or purchased and cancelled as specified below, each Senior Note or Dated Subordinated Note will be redeemed by the Bank at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date. Undated Subordinated Notes, Capital Contribution Securities and Enhanced Capital Contribution Securities have no final maturity and are only redeemable or repayable in accordance with the following relevant provisions of this Condition and the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

(b) ***Redemption for Tax Reasons***

Subject as provided in Condition 7(i), if the Bank at any time satisfies the Trustee immediately prior to the giving of the notice referred to below that, as a result of any actual or proposed change in or amendment to the laws of the Kingdom of Sweden or the regulations of any taxing authority therein or thereof, or in or to the application of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the Notes or, if the Notes comprise more than one Tranche, the Issue Date of the first Tranche, the Bank would, on the occasion of the next payment due in respect of the Notes, be required to pay additional amounts as provided in Condition 11, the Bank may, at its option, having given not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement to the Trustee and in accordance with Condition 17, the holders of the Notes, at any time or, if the Notes are Floating Rate Notes, on any Interest Payment Date redeem all, but not some only, of the Notes each at its Early Redemption Amount referred to in paragraph (e) below, together, if appropriate, with interest accrued to (but excluding) the date of redemption and, in the case of Undated Subordinated Notes, all Arrears of Interest, including any Additional Interest Amounts. Upon the expiry of such notice, the Bank shall be bound to repay the Notes accordingly.

(c) ***Redemption at the Option of the Bank (Issuer Call)***

Subject as provided in Condition 7(i), if Issuer Call is specified as being applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the Bank may, having given not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement to the Trustee, the Agent and, in accordance with Condition 17, the holders of the Notes (which notice shall be irrevocable), redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement together, if appropriate, with accrued interest. In the event of a redemption of some only of the Notes, such redemption must be of a nominal amount being not less than the Minimum Redemption Amount or not more than a Higher Redemption Amount, in each case as indicated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement. In the case of a partial redemption of definitive Notes, the Notes to be repaid will be selected individually by lot not more than 60 days prior to the date fixed for redemption and a list of the Notes called for redemption will be published in accordance with Condition 17 not less than 30 days prior to such date. In the case of a partial redemption of Notes which are represented by a global Note, the relevant Notes will be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion).

(d) ***Redemption at the Option of the Noteholders (Investor Put)***

This Condition 7(d) is not applicable to Dated Subordinated Notes, Undated Subordinated Notes, Capital Contribution Securities and Enhanced Capital Contribution Securities and references to “Notes” in this Condition 7(d) shall be construed accordingly.

Subject as provided in Condition 7(i), if Investor Put is specified as being applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, upon the holder of any Note giving to the Bank in accordance with Condition 17 not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement (which notice shall be irrevocable) the Bank will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement together, if appropriate, with accrued interest.

(e) ***Early Redemption Amounts***

For the purposes of paragraph (b) above and Condition 12, each Note will be redeemed at an amount (the “Early Redemption Amount”) calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price of the first Tranche of the Series, at the Final Redemption Amount thereof; or
- (ii) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price of the first Tranche of the Series or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount set out in, or determined in the manner set out in, the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement or, if no such amount or manner is set out in the Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, at its nominal amount; or

- (iii) in the case of a Zero Coupon Note, at an amount calculated in accordance with the following formula: —

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

“RP” means the Reference Price;

“AY” means the Accrual Yield expressed as a decimal; and

“y” is the Day Count Fraction specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

(f) ***Purchases***

Subject as provided in Condition 7(i), the Bank or any of its subsidiaries may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons appertaining thereto are surrendered therewith) in the open market or by private treaty at any price.

(g) ***Cancellation***

All Notes redeemed or purchased as aforesaid, other than Notes purchased by the Bank or any of its subsidiaries which it determines to hold for possible subsequent dealing and Notes purchased by the Bank or any subsidiary of the Bank in the ordinary course of business carried on by it as a dealer in securities or otherwise than as beneficial owner, will be cancelled forthwith, together with all unmatured Coupons attached thereto or surrendered or purchased therewith, and may not be resold or reissued.

(h) ***Late payment on Zero Coupon Notes***

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to this Condition 7 or upon its becoming due and repayable as provided in Condition 12 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for redemption or the date upon which the Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

- (1) the date on which all amounts due in respect of the Zero Coupon Note have been paid; and

- (2) the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 17.

(i) ***Consent***

In the case of Dated Subordinated Notes, Undated Subordinated Notes, Capital Contribution Securities and Enhanced Capital Contribution Securities, no early redemption, variation or substitution, as the case may be, in any circumstances or purchase under Conditions 7(b), (c), (f), (j), (k), (l) or (m), as applicable, shall take place without the prior written consent of the Relevant Regulator.

(j) ***Redemption upon Tax Event, Rating Event, Accounting Event or Capital Event: Capital Contribution Securities and Enhanced Capital Contribution Securities***

This Condition 7(j) applies only to Capital Contribution Securities and Enhanced Capital Contribution Securities and references to “Notes” in this Condition 7(j) shall be construed accordingly.

Upon the occurrence of a Tax Event, a Rating Event, an Accounting Event or a Capital Event but subject, in each case, to Condition 7(i), the Bank may, at its option, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement to the Trustee, the Agent and, in accordance with Condition 17, the holders of the Notes (which notice shall be irrevocable), at any time or, if the Notes are Floating Rate Notes, on any Interest Payment Date redeem all (but not some only) of the Notes at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement. Upon the expiry of any such notice, the Bank shall be bound to redeem the Notes.

In these Conditions (unless otherwise provided):

“Accounting Event” means (i)(A) the receipt by the Bank of an opinion of a recognised international accounting firm stating that on or after the Issue Date of the Notes, or if the Notes comprise more than one Tranche, the Issue Date of the first Tranche, the obligations in respect of the Notes must not or must no longer be recorded as liabilities in the Bank’s consolidated financial statements prepared in accordance with IFRS; and (B) such categorisation cannot be avoided by the Bank taking reasonable measures available to it (as confirmed by the Bank to the Trustee in a certificate signed by two Authorised Signatories (as defined in the Trust Deed) of the Bank) or (ii) the receipt by the Bank of an opinion of a recognised international accounting firm stating that, after the requalification of the Notes as equity, the Notes are, due to changes in IFRS, the interpretation thereof or any other reason that is not under the control of the Bank and according to an opinion of a recognised international accounting firm which has been delivered to the Bank, again to be recorded as liabilities in the Bank’s consolidated financial statements prepared in accordance with IFRS;

“IFRS” means International Financial Reporting Standards;

“Rating Agency” means Fitch Ratings Ltd, Moody’s Investors Service Limited or Standard & Poor’s Credit Market Services Europe Limited, or their respective successors;

“Rating Event” shall be deemed to occur if the Bank has confirmed in writing to the Trustee that it has received confirmation from any Rating Agency that the Notes will no longer be eligible for the same, or a higher category of, equity credit, as defined by the Rating Agencies, as was attributed to the Notes at the Issue Date of the Notes, or if the Notes comprise more than one Tranche, the Issue Date of the first Tranche;

“Tax Event” means the receipt by the Bank and the Trustee of an opinion of counsel in the Kingdom of Sweden (experienced in such matters) to the effect that, as a result of (i) any amendment to, clarification of, or change (including any announced prospective change) in, the laws or treaties (or any regulations thereunder) of the Kingdom of Sweden or any political subdivision or taxing authority thereof or therein affecting taxation, (ii) any governmental action or (iii) any amendment to, clarification of, or change in the official position or the interpretation of such governmental action or any interpretation or pronouncement that provides for a position with respect to such governmental action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification or change is made known, which amendment, clarification, or change is effective or such pronouncement or decision is announced on or after the Issue Date of the Notes, or if the Notes comprise more than one Tranche, the Issue Date of the first Tranche, there is more than an insubstantial risk that (A) the Bank is, or will be, subject to more than a de minimis amount of other taxes, duties or other governmental charges or civil liabilities with respect to the Notes or (B) the treatment of any of the Bank’s items of income or expense with respect to the Notes as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Bank will not be respected by a taxing authority, which subjects the Bank to more than a de minimis amount of additional taxes, duties or other governmental charges;

“Capital Event” means the determination by the Bank after consultation with the Relevant Regulator that the Notes will not be included in Tier 1 capital of the Bank, such determination to be confirmed by the Bank to the Trustee in a certificate signed by two Authorised Signatories of the Bank; and

“Tier 1 capital” means Tier 1 capital (*Sw. primärt kapital*) as defined in Chapter 3 of the Swedish Capital Adequacy and Large Exposures Act (*Lag (2006:1371) om kapitaltäckning och stora exponeringar*), as amended or replaced.

(k) ***Redemption upon Capital Event: Undated Subordinated Notes***

This Condition 7(k) applies only to Undated Subordinated Notes and references to “Notes” in this Condition 7(k) shall be construed accordingly.

Upon the occurrence of a Capital Event but subject to Condition 7(i), the Bank may, at its option, having given not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement to the Trustee, the Agent and, in accordance with Condition 17, the holders of the Notes (which notice shall be irrevocable), at any time or, if the Notes are Floating Rate Notes, on any Interest Payment Date redeem all (but not some only) of the Notes at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement. Upon the expiry of any such notice, the Bank shall be bound to redeem the Notes.

In this Condition 7(k):

“Capital Event” means the determination by the Bank after consultation with the Relevant Regulator that the Notes will not be included in Tier 2 capital of the Bank, such determination to be confirmed by the Bank to the Trustee in a certificate signed by two Authorised Signatories of the Bank; and

“Tier 2 capital” means Tier 2 Capital (*Sw. supplementärt kapital*) as defined in Chapter 3 of the Swedish Capital Adequacy and Large Exposures Act (*Lag 2006:1371 om kapitaltäckning och stora exponeringar*), as amended or replaced.

(1) ***Redemption upon Capital Event or Tax Event: Dated Subordinated Notes***

This Condition 7(1) applies only to Dated Subordinated Notes and references to “Notes” in this Condition 7(1) shall be construed accordingly.

If so specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, upon the occurrence of a Capital Event or a Tax Event but subject to Condition 7(i), the Bank may, at its option, having given not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, to the Trustee, the Agent and, in accordance with Condition 17, the Noteholders (which notice shall be irrevocable), at any time, redeem all (but not some only) of the Notes at the Optional Redemption Amount(s) specified in the applicable Final Terms or, in the case of Exempt Notes, specified in, or determined in the manner specified in, the applicable Pricing Supplement, together with interest accrued to (but excluding) the date of redemption, if any. Upon the expiry of any such notice, the Bank shall redeem the Notes.

In this Condition 7(1):

“Capital Event” means the determination by the Bank, after consultation with the Relevant Regulator and in compliance with any applicable Relevant Rules, that, as a result of any amendment to, or change in, the Relevant Rules, which amendment or change is effective on or after the Issue Date of the Notes, or if the Notes comprise more than one Tranche, the Issue Date of the last Tranche, the Notes will not be fully included in the Bank’s Tier 2 Capital or, on or after CRD IV takes effect in the Kingdom of Sweden, the Notes are fully or partially excluded from the Bank’s Tier 2 Capital, as the case may be, such determination to be confirmed by the Bank to the Trustee in a certificate signed by two Authorised Signatories (as defined in the Trust Deed) of the Bank and delivered to the Trustee;

“CRD IV” means, as the context requires, any or any combination of the CRD IV Directive, the CRR and any CRD IV Implementing Measures;

“CRD IV Directive” means a directive of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26th June, 2013 and published in the Official Journal of the European Union on 27th June, 2013, as amended or replaced from time to time;

“CRD IV Implementing Measures” means any regulatory capital rules or regulations, or other requirements, which are applicable to the Bank and which prescribe (alone or in conjunction with any other rules or regulations) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Bank (on a non-consolidated or consolidated basis) to the extent required by the CRD IV Directive or the CRR, including for the avoidance of doubt any regulatory technical standards released by the European Banking Authority (or any successor or replacement thereof);

“CRR” means a regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26th June, 2013 and published in the Official Journal of the European Union on 27th June, 2013, as amended or replaced from time to time;

“Relevant Rules” means the regulatory capital rules from time to time as applied by the Relevant Regulator and as amended from time to time (including CRD IV and/or the RRD, as applicable);

“RRD” means the Directive of the European Parliament and of the Council on resolution and recovery of credit institutions and investment firms, a first draft of which was published on 6th June, 2012, as amended or replaced from time to time;

“Tax Event” means the receipt by the Bank and the Trustee of an opinion of counsel in the Kingdom of Sweden (experienced in such matters) to the effect that, as a result of (i) any amendment to, clarification of, or change (including any announced prospective change) in, the laws or treaties (or any regulations thereunder) of the Kingdom of Sweden or any political subdivision or taxing authority thereof or therein affecting taxation, (ii) any governmental action or (iii) any amendment to, clarification of, or change in the official position or the interpretation of such governmental action or any interpretation or pronouncement that provides for a position with respect to such governmental action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification or change is made known, which amendment, clarification, or change is effective or such pronouncement or decision is announced on or after the Issue Date of the Notes, or if the Notes comprise more than one Tranche, the Issue Date of the last Tranche, there is more than an insubstantial risk that (A) the Bank is, or will be, subject to more than a de minimis amount of taxes, duties or other governmental charges or civil liabilities with respect to the Notes which were not applicable at the relevant Issue Date or (B) the treatment of any of the Bank’s items of income or expense with respect to the Notes as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Bank will not be respected by a taxing authority and that subjects the Bank to more than a de minimis amount of taxes, duties or other governmental charges which were not applicable at the relevant Issue Date; and

“Tier 2 Capital” means Tier 2 Capital (*Sw. supplementärt kapital*) as defined in Chapter 3 of the Swedish Capital Adequacy and Large Exposures Act (*Lag 2006:1371 om kapitaltäckning och stora exponeringar*), as amended or replaced in the Relevant Rules from time to time.

(m) ***Variation or substitution instead of redemption: Capital Contribution Securities and Enhanced Capital Contribution Securities***

This Condition 7(m) applies only to Capital Contribution Securities and Enhanced Capital Contribution Securities and references to “Notes” in this Condition 7(m) shall be construed accordingly.

If at any time a Tax Event, a Rating Event, an Accounting Event or a Capital Event occurs, the Bank may, instead of giving notice to redeem as aforesaid, and subject to Condition 7(i), (without any requirement for the consent or approval of the Noteholders or Couponholders) and having given not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement to the Trustee and, in accordance with Condition 17, the holders of the Notes (which notice shall be irrevocable), at any time either substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they remain or, as appropriate, become, Qualifying Tier 1 Securities.

The Trustee shall (subject to the following provisions of this paragraph) agree to such substitution or variation. The Trustee shall (at the expense of the Bank) use its reasonable endeavours to participate in or assist the Bank with the substitution of the Notes for, or the variation of the terms of the Notes so that they remain or become, Qualifying Tier 1 Securities, provided that the Trustee shall not be obliged to participate in, or assist with, any such substitution or variation if the terms of the proposed Qualifying Tier 1 Securities or the participation in or assistance with such substitution or variation would impose, in the Trustee’s opinion, more onerous obligations upon it or reduce its protections. If, notwithstanding the above, the Trustee does not participate or assist as provided above, the Bank may, subject as provided herein, redeem the Notes as provided above.

In these Conditions:

“Qualifying Tier 1 Securities” means securities, whether debt, equity, interests in limited partnerships or otherwise, issued directly or indirectly by the Bank that:

- (a) have terms not materially less favourable to a Noteholder, as reasonably determined by the Bank, and provided that a certification to such effect of two Authorised Signatories of the Bank shall have been delivered to the Trustee prior to (i) in the case of a substitution of the Notes, the issue of the relevant securities or (ii) in the case of a variation of the terms of the Notes, such variation, as the case may be, than the terms of the Notes prior to such substitution or variation, as the case may be, provided that they shall (1) include a ranking in right of payment at least equal to that of the Notes prior to such substitution or variation, as the case may be, (2) have the same interest rate and Interest Payment Dates as those from time to time applying to the Notes prior to such substitution or variation, as the case may be, (3) have the same redemption rights as the Notes prior to such substitution or variation, as the case may be, (4) comply with the then current requirements of the Relevant Regulator in relation to Tier 1 capital and (5) preserve any existing rights under the Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation, as the case may be; and
- (b) are listed on the Irish Stock Exchange plc or another recognised stock exchange.
- (n) ***No other redemption, variation or substitution: Undated Subordinated Notes, Capital Contribution Securities and Enhanced Contribution Securities***

The Bank shall not be entitled to redeem the Undated Subordinated Notes except as provided in Condition 7(b), (c) and (k) above. The Bank shall not be entitled to redeem, vary or substitute the Capital Contribution Securities or Enhanced Contribution Securities except as provided in Condition 7(b), (c), (j) and (m) above. The Bank shall not be entitled to redeem the Dated Subordinated Notes except as provided in Condition 7(b), (c) and (l) above.

8. Payments

(a) *Method of Payment*

Subject as provided below: —

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 11, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

(b) *Presentation of definitive Notes, Coupons and Talons*

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above against surrender of definitive Notes and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid against surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States.

Fixed Rate Notes in definitive form (other than Adjusted Fixed Rate Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons (if any) appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons) failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the aggregate amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 11) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 16) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter. Upon any Fixed Rate Note in definitive form (other than an Adjusted Fixed Rate Note in definitive form) becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon any Floating Rate Note, Reset Note, Adjusted Fixed Rate Note or Long Maturity Note in definitive form becoming due and repayable prior to its stated maturity date, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A “Long Maturity Note” is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from and including the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

Payments of principal and interest (if any) in respect of Notes represented by any global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant global Note, where applicable, against presentation or surrender, as the case may be, of such global Note at the specified office of the Agent. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such global Note either by the Agent or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

The holder of the relevant global Note (or, as provided in the Trust Deed, the Trustee) shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Bank will be discharged by payment to, or to the order of, the holder of such global Note (or the Trustee, as the case may be) in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Bank to, or to the order of, the holder of the relevant global Note (or the Trustee, as the case may be). No person other than the holder of the relevant global Note (or, as provided in the Trust Deed, the Trustee) shall have any claim against the Bank in respect of any payments due on that global Note.

Notwithstanding the foregoing, payments of interest in respect of the Notes will be made at the specified office of a Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)) if: —

- (i) the Bank has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such specified offices outside the United States of the full amount of interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such interest at such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Bank, adverse tax consequences to the Bank.

(c) ***Payment Day***

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, unless otherwise specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, “Payment Day” means any day which (subject to Condition 16) is: —

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in: —
 - (A) in the case of Notes in definitive form only, the relevant place of presentation; and
 - (B) each Additional Financial Centre specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(d) ***Interpretation of Principal and Interest***

Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable: —

- (i) any additional amounts which may be payable under Condition 11 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed;
- (ii) the Final Redemption Amount of the Notes;

- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes; and
- (v) any premium and any other amounts (other than interest) which may be payable under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable under Condition 11 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

9. Agent and Paying Agents

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below.

The Bank is entitled (with the prior written approval of the Trustee) to vary or terminate the appointment of any Paying Agent and/or appoint additional or other paying agents and/or approve any change in the specified office through which any Paying Agent acts, provided that: —

- (i) so long as the Notes are listed on any stock exchange and until the Notes are redeemed, there will at all times be a Paying Agent with a specified office in each location required by the rules and regulations of the relevant stock exchange or any other relevant authority;
- (ii) there will at all times be a Paying Agent with a specified office in a city approved by the Trustee in continental Europe outside Sweden;
- (iii) there will at all times be an Agent; and
- (iv) the Bank undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Bank shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 8(b). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Trustee and the Noteholders in accordance with Condition 17.

10. Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to, and including, the final date for the payment of interest or penultimate payment of principal, as the case may be, due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 16. Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

11. Taxation

All payments of principal and interest (if any) by the Bank will be made without withholding or deduction for, or on account of, any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Kingdom of Sweden or any authority thereof or therein having power to tax, unless the withholding or deduction of such taxes or duties is required by law. In that event, the Bank will pay such additional amounts as may be necessary in order that the net amounts receivable by the Noteholders or the Couponholders, as the case may be, after such withholding or deduction shall equal the respective amounts of principal or interest which would have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amount shall be payable with respect to any Note or Coupon:—

- (i) presented for payment by or on behalf of a Noteholder or Couponholder who is liable to such taxes or duties in respect of such Note or Coupon by reason of his having some connection with the Kingdom of Sweden other than the mere holding of such Note or Coupon; or
- (ii) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on or before such thirtieth day; or
- (iii) presented for payment by or on behalf of a Noteholder or Couponholder who would not be subject to such withholding or deduction if he were to comply with any certification, identification or other reporting requirements concerning nationality or residence or any connection with the Kingdom of Sweden; or
- (iv) presented for payment in the Kingdom of Sweden; or
- (v) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (vi) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union.

Notwithstanding anything to the contrary in the preceding paragraph, neither the Bank nor any paying agent or any other person shall be required to pay any additional amounts with respect to any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

As used herein, the “Relevant Date” means: —

- (A) the date on which such payment first becomes due; or
- (B) if the full amount of the moneys payable has not been received by the Agent or the Trustee on or prior to such due date, the date on which, the full amount of such moneys having been so received, notice to that effect shall have been given to the Noteholders in accordance with Condition 16.

12. Events of Default

(a) *Relating to Senior Notes, Dated Subordinated Notes and Undated Subordinated Notes*

Save as provided below in relation to Subordinated Notes, this Condition 12(a) applies only to Senior Notes, Dated Subordinated Notes and Undated Subordinated Notes and references to “Notes” in this Condition 12(a) shall be construed accordingly. References to “Subordinated Notes” in this Condition 12(a) shall not include Capital Contribution Securities or Enhanced Capital Contribution Securities.

The Trustee, at its discretion, may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Notes outstanding or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of the holders of the Notes shall, subject in each case to the Trustee being indemnified and/or secured to its satisfaction, (but in the case of the happening of any of the events mentioned in paragraph (b) below only if the Trustee has certified that the happening of such event is, in its opinion, materially prejudicial to the interests of the holders of the Notes) give notice to the Bank that the Notes are, and they shall accordingly immediately become, due and repayable at their Early Redemption Amount (as described in Condition 7(e)) together, if appropriate, with accrued interest (if any) to the due date for repayment and otherwise as provided in the Trust Deed if any of the following events (each an “Event of Default”) occurs, namely:—

- (a) the Bank defaults in the payment of any principal or interest for a period of seven days (in the case of principal) or 30 days (in the case of interest) in respect of any of the Notes when and as the same ought to be paid; or
- (b) default is made by the Bank in the performance or observance of any obligation, condition or provision binding on it under the Notes or the Trust Deed (other than any obligation for the payment of any principal or interest in respect of the Notes) and, except where such default is, in the opinion of the Trustee, not capable of remedy, such default continues for 30 days after written notice thereof has been given by the Trustee to the Bank requiring the same to be remedied; or
- (c) an agency or supervisory authority of the Kingdom of Sweden having jurisdiction in respect of the same institutes a proceeding, or a court in the Kingdom of Sweden enters a decree or order, for the appointment of a receiver or liquidator in any insolvency, bankruptcy, rehabilitation, readjustment of debt, marshalling of assets and liabilities or similar arrangements involving the Bank or all or substantially all of its property, or for the winding up of or liquidation of its affairs, and such proceeding, decree or order is not vacated or remains in force undischarged or unstayed for a period of 60 days; or
- (d) the Bank files a petition to take advantage of any insolvency statute or voluntarily suspends payment of its obligations; or
- (e) the Bank ceases or threatens to cease or carry on the whole or substantially the whole of its business (except for the purposes of, or following, a reconstruction, merger or amalgamation previously approved by the Trustee),

provided that only the events described in paragraphs (a), (c) or (d) above shall constitute Events of Default in relation to Subordinated Notes and provided further that upon a Subordinated Note becoming due and repayable under this Condition 12(a) the following restrictions shall apply: —

- (i) the Trustee (or, subject as provided below, the holder of such Subordinated Note) may at its discretion and without further notice take such steps, including the

obtaining of a judgment against the Bank for any amount due in respect of such Subordinated Note, as it thinks desirable with a view to having the Bank declared bankrupt (*konkurs*) or put into liquidation (*likvidation*) but not otherwise and consequently if any Subordinated Note has become due and repayable under this Condition 12(a) the Bank shall, except with the prior consent of the Relevant Regulator, only be required to make such payment after it has been declared bankrupt (*konkurs*) or put into liquidation (*likvidation*);

- (ii) the Trustee (or, subject as provided below, the holder of such Subordinated Note) may at its discretion and without further notice institute such proceedings against the Bank as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Bank under such Subordinated Note (other than, without prejudice to paragraph (i) above, any obligation for the payment of any principal or interest in respect of such Subordinated Note) provided that the Bank shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it; and
- (iii) no remedy shall be available to the Trustee, the holder of the relevant Subordinated Note or the holder of any relevant Coupon against the Bank other than as provided in paragraphs (i) or (ii) above or proving or claiming in the bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Bank in the Kingdom of Sweden or elsewhere, whether for the recovery of amounts owing in respect of the relevant Subordinated Note or in respect of any breach by the Bank of any of its obligations or undertakings under the Subordinated Notes or the Trust Deed.

The Trustee shall not be bound to take any of the actions referred to in provisos (i), (ii) and (iii) of this Condition 12(a) to enforce the terms of the Trust Deed and/or the Subordinated Notes or to take any other action under or pursuant to the Trust Deed unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by holders of Subordinated Notes holding at least one-fifth in nominal amount of the Subordinated Notes outstanding, and (ii) it shall have been indemnified and/or secured to its satisfaction. No Noteholder or Couponholder may proceed directly against the Bank unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing, in which case the Noteholder or Couponholder shall have only such rights against the Bank as those which the Trustee is entitled to exercise.

(b) *Relating to Capital Contribution Securities and Enhanced Capital Contribution Securities*

This Condition 12(b) applies only to Capital Contribution Securities and Enhanced Capital Contribution Securities and references to “Notes” in this Condition 12(b) shall be construed accordingly.

The Trustee, at its discretion, may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Notes outstanding or if so directed by an Extraordinary Resolution of the holders of the Notes shall, subject in each case to the Trustee being indemnified and/or secured to its satisfaction, give notice to the Bank that the Notes are, and they shall accordingly immediately become, due and repayable at their Early Redemption Amount (as described in Condition 7(e)) together, if appropriate, with accrued interest (if any) to the due date for repayment and otherwise as provided in the Trust Deed if any of the following events (each an “Event of Default”) occurs, namely:—

- (a) the Bank defaults, despite there being Available Distributable Funds (*utdelningsbara medel*) available to make such payment, in the payment of any interest for a period of 30 days in respect of any of the Notes when and as the same ought to be paid; or

- (b) an agency or supervisory authority of the Kingdom of Sweden having jurisdiction in respect of the same institutes a proceeding, or a court in the Kingdom of Sweden enters a decree or order, for the appointment of a receiver or liquidator in any insolvency, bankruptcy, rehabilitation, readjustment of debt, marshalling of assets and liabilities or similar arrangements involving the Bank or all or substantially all of its property, or for the winding up of or liquidation of its affairs, and such proceeding, decree or order is not vacated or remains in force, undischarged or unstayed for a period of 60 days; or
- (c) the Bank files a petition to take advantage of any insolvency statute or voluntarily suspends payment of its obligations;
- (d) the Bank ceases or threatens to cease or carry on the whole or substantially the whole of its business (except for the purposes of, or following, a reconstruction, merger or amalgamation previously approved by the Trustee),

provided that upon a Note becoming due and repayable under this Condition 12(b) the following restrictions shall apply:—

- (i) the Trustee (or, subject as provided below, the holder of such Note) may at its discretion and without further notice take such steps, including the obtaining of a judgment against the Bank in respect of such Note, as it thinks desirable with a view to having the Bank declared bankrupt (*konkurs*) or put into liquidation (*likvidation*) but not otherwise and consequently if any Note has become due and repayable under this Condition 12(b) the Bank shall, except with the prior consent of the Relevant Regulator, only be required to make such payment after it has been declared bankrupt (*konkurs*) or put into liquidation (*likvidation*);
- (ii) the Trustee (or, subject as provided below, the holder of such Note) may at its discretion and without further notice institute such proceedings against the Bank as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Bank under such Note (other than, without prejudice to paragraph (i) above, any obligation for the payment of any principal or interest in respect of such Note) provided that the Bank shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it; and
- (iii) no remedy shall be available to the Trustee, the holder of the relevant Note or the holder of any relevant Coupon against the Bank other than as provided in paragraphs (i) or (ii) above or proving or claiming in the bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Bank in the Kingdom of Sweden or elsewhere, whether for the recovery of amounts owing in respect of the relevant Note or in respect of any breach by the Bank of any of its obligations or undertakings under the Note or the Trust Deed.

The Trustee shall not be bound to take any of the actions referred to in provisos (i), (ii) and (iii) of this Condition 12(b) to enforce the terms of the Trust Deed and/or the Notes or to take any other action under or pursuant to the Trust Deed unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by holders of Notes holding at least one-fifth in nominal amount of the Notes outstanding and (ii) it shall have been indemnified and/or secured to its satisfaction. No Noteholder or Couponholder may proceed directly against the Bank unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing, in which case the Noteholder or Couponholder shall have only such rights against the Bank as those which the Trustee is entitled to exercise.

13. Enforcement and Indemnification of Trustee

(a) *Enforcement of Rights in relation to Senior Notes*

At any time after the Senior Notes have become due and repayable and have not been repaid the Trustee may, at its discretion and without further notice, institute such proceedings against the Bank as it may think fit to enforce repayment thereof together with accrued interest but shall not be bound to do so or be bound to take any other action under or pursuant to the Trust Deed unless: —

- (i) it has been so directed by an Extraordinary Resolution or in writing by the holders of at least one-fifth in nominal amount of the Senior Notes outstanding; and
- (ii) it has been indemnified and/or secured to its satisfaction.

No Noteholder or Couponholder shall be entitled to institute proceedings directly against the Bank unless the Trustee, having become bound to proceed as aforesaid, fails to do so within a reasonable time and such failure is continuing.

(b) *Indemnification of Trustee*

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from any obligation to take proceedings to enforce repayment or to take any other action under or pursuant to the Trust Deed unless indemnified and/or secured to its satisfaction. The Trustee is entitled to enter into business transactions with the Bank or any of its subsidiaries without accounting for any profit resulting therefrom and to act as trustee for the holders of any other securities issued by the Bank or any of its subsidiaries.

14. Meetings of Noteholders; Modification; Waiver; Substitution

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Conditions, the Trust Deed, the Notes or the Coupons. An Extraordinary Resolution is defined in the Trust Deed to mean a resolution passed by a majority of not less than 75 per cent. of the votes cast at a meeting or adjourned meeting of the Noteholders convened to consider the relevant Extraordinary Resolution. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing a clear majority of the nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons present being or representing Noteholders whatever the nominal amount of the Notes held or represented by them, except that at any meeting, the business of which includes, *inter alia*, reduction of the amount, or variation of the currency of or postponement of the date for payment of, principal or interest in respect of the Notes, the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, of the nominal amount of the Notes for the time being outstanding.

Any resolution passed at any meeting of the Noteholders will be binding on all the Noteholders, whether or not they are present at the meeting, and on all the holders of the the Coupons relating to the Notes.

The Trust Deed also (i) provides for a resolution in writing signed by or on behalf of all the Noteholders to be as effective and binding as if it were an Extraordinary Resolution duly passed at a meeting of the holders of the Notes and (ii) contains provisions for convening a meeting of the holders of a single Series of Notes and the holders of notes of other Series in certain circumstances where the Trustee so decides.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification (subject to certain exceptions) of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed, the Notes or the Coupons or determine that any event which would or might otherwise be an Event of Default shall not be treated as such if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby or to any modification which is of a formal, minor or technical nature or which is made to correct a manifest error. Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and Couponholders and, unless the Trustee agrees otherwise, any such modification shall be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 17.

The Trustee may, without the consent of the Noteholders or Couponholders, agree with the Bank to the substitution in place of the Bank (or of any previous substitute under this Condition) as the principal debtor under the Notes and the Coupons and the Trust Deed of any Successor in Business (as defined in the Trust Deed) or any subsidiary of the Bank or any holding company of the Bank or any subsidiary of any such holding company, subject to: —

- (i) the Notes being unconditionally and irrevocably guaranteed by the Bank, such guarantee being, in the case of Dated Subordinated Notes, Undated Subordinated Notes, Capital Contribution Securities and Enhanced Capital Contribution Securities, subordinated on a basis considered by the Trustee to be equivalent to that referred to in Condition 3, Condition 4 or Condition 5, as applicable, in respect of the Bank's obligations in respect of Dated Subordinated Notes, Undated Subordinated Notes, Capital Contribution Securities and Enhanced Capital Contribution Securities, as applicable;
- (ii) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution; and
- (iii) certain other conditions set out in the Trust Deed being complied with.

The Trustee shall, in connection with the exercise by it of the powers, trusts, authorities and discretions (including but not limited to those in relation to any proposed modification, waiver, authorisation, determination, replacement, transfer or substitution) vested in it by the Trust Deed or these Conditions, have regard to the interests of the Noteholders as a class and in particular, but without prejudice to the generality of the foregoing, shall not have regard to the consequences of such exercise for individual Noteholders and Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and shall have absolute and uncontrolled discretion as to the exercise thereof and it shall be in no way responsible to the Noteholders, the Couponholders or the Bank for any loss, costs, damage, expenses or inconvenience which may result from the exercise or non-exercise thereof.

15. Replacement of Notes, Coupons and Talons

Should any Note, Coupon or Talon be mutilated, defaced or destroyed or be lost or stolen, it may be replaced at the specified office of the Agent in London (or such other place as may be notified to the Noteholders), in accordance with all applicable laws and regulations, upon payment by the claimant of the expenses incurred by the Bank and the Agent in connection therewith and on such terms as to evidence, indemnity, security or otherwise as the Bank and the Agent may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

16. Prescription

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 11) relating thereto. Any moneys paid by the Bank to the Agent for the payment of principal or interest in respect of the Notes and remaining unclaimed for two years after the date on which such principal or interest shall have become due shall (at the Bank's request) be repaid by the Agent to the Bank, and the holders of the relevant Notes or Coupons shall thereafter only look to the Bank for any payment which such holders may be entitled to collect.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 16 or Condition 8(b) or any Talon which would be void pursuant to Condition 8(b).

17. Notices

All notices regarding the Notes shall be published in one leading English language daily newspaper with circulation in London or, if this is not practicable, one other English language daily newspaper with general circulation in Europe as the Trustee may approve. It is expected that publication of notices will normally be made in the Financial Times in London. The Bank shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or any other relevant authority on which the Notes are for the time being admitted to trading. Any such notice shall be deemed to have been given on the date of the first publication or, if required to be published in more than one newspaper, on the date of the first publication in all the required newspapers.

Until such time as any definitive Notes are issued, there may, so long as the global Note(s) is or are held in its or their entirety on behalf of Euroclear and Clearstream, Luxembourg, be substituted for such publication in such newspaper the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any holder of the Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to the Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

18. Further Issues

The Bank shall be at liberty from time to time without the consent of the Noteholders or Couponholders to create and issue further Notes ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon) and so that the same shall be consolidated and form a single Series with the outstanding Notes of this Series.

19. Contracts (Rights of Third Parties) Act 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

20. Governing Law; Submission to Jurisdiction

The Trust Deed, the Agency Agreement, the Notes, the Coupons and any non-contractual obligations arising out of or in connection therewith shall be governed by, and shall be construed in accordance with, English law, except that the provisions relating to subordination contained in Conditions 3, 4, 5, 6(d), 6(e) and 6(f) are governed by, and shall be construed in accordance with, Swedish law.

The Bank has in the Trust Deed submitted to the jurisdiction of the courts of England for all purposes in connection with the Trust Deed, the Notes and the Coupons. The address in England for service of process is the London office of the Bank (being Central Head Office, 3 Thomas More Square, London E1W 1WY).

USE OF PROCEEDS

The net proceeds from each issue of Notes will be used by the Bank for general corporate purposes.

SVENSKA HANDELSBANKEN AB (PUBL)

Svenska Handelsbanken AB (publ) was founded in Stockholm on 5th June, 1871 and its commercial name is “Handelsbanken”. The Bank is a public limited liability banking company incorporated under the banking laws of Sweden and is registered with the Municipality of Stockholm under the registration number 502007-7862. The registered office of the Bank is SE-106 70 Stockholm, Sweden (telephone number: +46 8 701 10 00). The Group is a leading Swedish full-service banking group, meaning that it provides various investment and other financial services, in addition to its wide range of traditional banking services, both domestically and internationally, for private and corporate customers. These services include deposit-taking, lending, property mortgages, payment facilities, investment banking, factoring, leasing and life insurance. The Group has a significant presence in the Nordic Countries. The Group considers the Nordic Countries, Great Britain and the Netherlands as its domestic markets and any operations conducted in these areas are considered local operations. As of 31st March, 2014, the Group had 462 branches in Sweden, 49 branches in Norway, 45 branches in Finland, 57 branches in Denmark, 166 branches in Great Britain and 18 branches in the Netherlands. The Group also has limited operations elsewhere in Europe, as well as Asia and the United States. In 2013, the Group’s average number of employees worldwide was 11,503.

The business of the Group is highly decentralised, with each branch office having individual responsibility for coordinating services for its customers, worldwide, in collaboration with regional and central specialists, as necessary. As such, the Group’s branches, rather than its central units, are responsible for product areas and market segments. However, this decentralised approach is supported by centralised risk management.

The Group’s goal is the development of a profitable full-service banking business in its domestic markets building on the Group’s existing position as a large commercial banking group. Outside its domestic markets, the Bank’s operations are concentrated principally on servicing Nordic, British and Dutch customers with operations abroad or local customers with a connection to one of the domestic markets. As of 31st March, 2014, the Group had a total of 19 branches outside its domestic markets, mostly in Europe, and nine representative offices.

The Group’s overall strategic goal is to achieve a higher level of profitability, measured as return on equity on an after-tax basis, based on standard notional tax, than the weighted average of the other listed Nordic and United Kingdom banks and, as a result, to provide shareholders with higher dividend growth than the average for those banks. In order to realise this objective, the Group focuses on providing quality services to its customers through its branch network, maintaining a quality loan portfolio and being cost efficient. As part of this strategy, the Group places a higher priority on credit quality than loan volume.

Principal Shareholders

As of 31st December, 2013, the Bank had almost 100,000 shareholders. The majority of shareholders are private individuals who owned only a small number of shares. Approximately 922 shareholders own more than 20,000 shares, including a number of asset managers who represent foreign private individuals and legal entities. As of 31st December, 2013, approximately 47 per cent. of the Bank’s shares were owned by investors outside Sweden and approximately 37 per cent. of the shares were owned by 15 Swedish shareholders (comprised of large Swedish institutional investors including insurance companies, investment companies and equity funds mainly representing a large number of private individuals). The Bank is not aware of any shareholder or group of connected shareholders who directly or indirectly control the Bank.

As of 31st December, 2013, the major shareholders (being shareholders controlling 4 per cent. or more of voting rights) were as follows:

	% of votes
The Oktogonen Foundation	10.31
AB Industrivärden	10.30

The Group has implemented a profit-sharing system for its employees and, with the exception of 1992 and 2008, the Group has allocated a percentage of its profit to this profit-sharing system every year since 1973. All employees receive an equal percentage of the allocation amount. The funds allocated under this profit-sharing system are managed by the Oktogonen Foundation (the “Oktogonen”) and a significant portion of these funds have been invested in shares of the Bank, leaving Oktogonen as one of the Bank’s largest shareholders. The main condition for an allocation to be made is that the Group has higher return on equity after standard notional tax than other listed Nordic and United Kingdom banks. The profit-sharing system is based on the idea that the Bank’s employees should receive a portion of the extra earnings in which they have played such a large part.

Place of listing of the Bank’s shares

The Bank’s shares are listed on NASDAQ OMX Stockholm AB (“NASDAQ OMX Stockholm”).

Organisation and Management

The Bank is currently organised into a central head office in Stockholm (the “Central Head Office”) and 14 regional banks, of which six cover the Bank’s operations in different parts of Sweden, three cover other Nordic countries, four cover Great Britain and one covers the Netherlands.

The regional banks enjoy a high degree of independence with regards to market policy, lending and administration. Each regional bank offers a full range of banking services through its branches.

The six Swedish regional banks are responsible for the profits of the branch operations in Sweden, while Handelsbanken UK is responsible for the branch operations in the UK and the four British regional banks. The four regional banks located in each of Denmark, Norway, Finland and the Netherlands are responsible for the branch operations in Denmark, Norway, Finland and the Netherlands, respectively. As of 1st September, 2014, Handelsbanken Sweden will be launched as a new entity, responsible for the branch operations in Sweden as well as the six Swedish regional banks.

The Bank’s investment bank and asset management operations, including insurance savings, with responsibility for trading in financial instruments, structured products, cash management, corporate finance and debt capital markets, economic and financial research, and most of the savings products are conducted by Handelsbanken Capital Markets. Banking operations outside the Nordic Countries, Great Britain and the Netherlands, as well as correspondent banking are conducted within Handelsbanken International.

The Central Head Office consists of the Central Executive Office, the management and Stockholm operations of Handelsbanken Capital Markets and Handelsbanken International, the Central Treasury Department and a number of administrative and service departments.

The Bank is an underwriter, broker and dealer in securities in Sweden and is a member of NASDAQ OMX Stockholm and the Nordic Growth Market. The Bank is also a member of the stock exchanges in Copenhagen, Helsinki, Oslo, London, Reykjavik and Tallin, respectively, and is also a

trading participant at various Multilateral Trading Facilities such as Burgundy, Turquoise, Nordic MTF, First North, Aktietorget and BATS Chi-X Europe.

Overall responsibility for the administration of the Bank is vested in the Board. The Banking and Financing Activities Act (*Sw. Lag (2004: 297) om bank-och finansieringsrörelse*) requires a bank to have a board of directors consisting of no fewer than three members. Pursuant to the provisions of the Articles of Association of the Bank, the shareholders may elect no fewer than eight and not more than 15 full members of the Board at the Annual General Meeting. Pursuant to special legislation, affecting Swedish companies of a certain size, the employees of the Bank have the right to appoint two additional members of the Board but have not formally exercised this right (except in 1998 due to regulatory requirements). By tradition, the Oktogonen, which is managed by the Group's employees and is one of the Bank's largest shareholders, has nominated two members for election to the Board at the Annual General Meeting.

The Board currently consists of 10 Directors. The Board normally meets at least nine times during a calendar year and on other occasions, if required, to consider major policy matters and developments, large lending proposals and other relevant business.

The President, as the Group Chief Executive Officer of the Bank, is responsible for carrying out the policies of the Board, for the current management of the Bank's operations and for co-ordination of the Bank's central divisions and regional banks.

The Board has its registered office in the municipality of Stockholm. The members of the Board, whose business addresses, in their capacity as members of the Board of the Bank, are SE-106 70, Stockholm, are as follows:

<i>Name</i>	<i>Responsibilities in the bank</i>	<i>Principal outside activities</i>
Anders Nyrén	Chairman	Chairman of Sandvik AB, Director of AB Industrivärden, Svenska Cellulosa AB SCA, AB Volvo, Board Member of Stockholm School of Economics and Stockholm School of Economics Association.
Fredrik Lundberg	Vice Chairman	Chairman of Holmen AB, Hufvudstaden AB and Indutrade AB, Director of L E Lundbergföretagen AB, AB Industrivärden, Sandvik AB and Skanska AB.
Sverker Martin-Löf	Vice Chairman	Chairman of AB Industrivärden, Svenska Cellulosa AB SCA, and SSAB AB, Vice Chairman of Telefonaktiebolaget LM Ericsson, Director of Skanska AB.
Jon Fredrik Baksaas	Board Member	Chairman of GSMA, Director of Den Norske Veritas (council), Doorstep AS and VimpelCom Ltd.
Pär Boman	President and Group Chief Executive	Director of Svenska Cellulosa AB SCA and AB Industrivärden.
Tommy Bylund	Board Member	Chairman of the Oktogonen Foundation, Director of Ljusdals kommuns näringspolitiska stiftelse, Närljus.

<i>Name</i>	<i>Responsibilities in the bank</i>	<i>Principal outside activities</i>
Jan Johansson	Board Member	Director of SSAB AB and Svenska Cellulosa AB SCA.
Ole Johansson	Board Member	Chairman of EQ Oyj Abp and Aker Arctic Technology Inc.
Bente Rathe	Board Member	Chairman of Ecohz AS, Cenium AS, Vice Chairman of Powel AS, Director of Polaris Media ASA, Nordic Choice Hospitality Group AS, Home Invest AS, Aker Kvaerner Holding AS, the Council on Ethics for the Norwegian Government Pension Fund Global.
Charlotte Skog	Board Member	Board Member of the Financial Sector Union of Sweden, Oktogonen Foundation, Vice Chair of the Financial Sector Union Club at Handelsbanken.

The members of the Senior Management of the Group, whose business addresses, in their capacity as members of the Senior Management of the Group, are SE-106 70, Stockholm, are as follows:

Pär Boman	President and Group chief executive
Nina Arkilahti	Executive Vice President, Head of Regional Bank Finland
Per Beckman	Executive Vice President and Head of Credit department
Yonnie Bergqvist	Executive Vice President, Head of Handelsbanken Direkt
Katarina Berner Frösdal	Executive Vice President and Head of Human Resources
Anders Bouvin	Executive Vice President, Head of UK Regional Banks
Michael Broom	Senior Vice President, Head of Regional Bank South West Great Britain
Annika Brunnéd	Senior Vice President, Head of Regional Bank Northern Sweden
Michael Green	Executive Vice President, Head of Handelsbanken Capital Markets
Maria Hedin	Senior Vice President, Head of Independent Risk Control
Luciana Pacor Hygrell	Senior Vice President, Head of Central Compliance
Jan Häggström	Senior Vice President, Head of Economic Research
Ulf Köping-Höggård	Senior Vice President, Head of Legal Department
Anders H Johansson	Executive Vice President, Head of IT
Johan Lagerström	Senior Vice President, Head of Corporate Communications
Agneta Lilja	Senior Vice President, Head of Infrastructure department
Katarina Ljungqvist	Senior Vice President, Head of Regional Bank Western Sweden
Simon Lodge	Senior Vice President, Head of Regional Bank Southern Great Britain
Nick Lowe	Senior Vice President, Head of Regional Bank Central Great Britain
Stefan Nilsson	Senior Vice President, Head of Regional Bank Eastern Sweden
Claes Norlén	Executive Vice President, Board Member Nordic Regional Banks
Anders Ohlner	Executive Vice President, Chairman of the board of the Forestry and Farming business area
John Parker	Senior Vice President, Head of Regional Bank Northern Great Britain

Ulf Riese	Executive Vice President, CFO, Head of Group Finance and Investor Relations
Håkan Sandberg	Executive Vice President, Chairman of subsidiaries and regional bank boards
Göran Stille	Executive Vice President, Head of Regional Bank Southern Sweden
Ulrika Stolt Kirkegaard	Chief Executive of Stadshypotek
Mikael Sørensen	Executive Vice President, Head of Regional Bank Netherlands
Dag Tjernsmo	Executive Vice President, Head of Regional Bank Norway
Klas Tollstadius	Senior Vice President, Central Board Secretary, Head of Contacts with the financial sector and public authorities, corporate governance and CSR
Magnus Uggla	Executive Vice President, Head of Handelsbanken International
Frank Vang-Jensen	Executive Vice President, Head of Regional Bank Denmark
Åsa Willén	Senior Vice President, Head of Forestry and Farming
Pontus Åhlund	Senior Vice President, Head of Regional Bank Central Sweden
Carina Åkerström	Executive Vice President, Head of Regional Bank Stockholm

Frank Vang-Jensen has been appointed Head of Branch operations in Sweden as of 1st September, 2014.

Lars Moesgaard has been appointed Head of Regional Bank Denmark as of 18th July, 2014.

Yonnie Bergqvist has been appointed Head of Retail and E-services, which will develop services for e-commerce and traditional retailing under its own brand, as of 1st September, 2014.

The Bank is not aware of any potential conflicts of interest between the duties to the Group of each of the members of the Board and each of the members of the Senior Management of the Group listed above and his/her private interests or other duties.

Regulatory Environment

For more than a century, banking in Sweden has been subject to close government inspection and control. The SFSA is the supervisory authority for Swedish credit institutions. The SFSA's supervisory responsibility encompasses, among other things, banks and other credit institutions, as well as insurance companies, securities businesses, fund managers and NASDAQ OMX Stockholm. This supervisory responsibility also extends to the international branches of Swedish banks. The SFSA's overall objective is to contribute to the stability and efficiency of the financial system as well as to promote consumer protection.

The SFSA's supervision is conducted through analysis of reports regarding, among other things, capital adequacy, large exposures and financial statements and through on-site inspections to ensure that each bank's operations comply with Swedish banking laws and regulations.

The SFSA has regulatory powers conferred by law, including the power to issue accounting regulations, to require banks to submit monthly financial statements and a variety of risk reports and to carry out periodic reviews to ensure that each bank's operations comply with the laws regulating banking operations as well as such bank's Articles of Association. The SFSA has the power to appoint one or more auditors who, together with auditors elected by the shareholders at the annual general meeting of each bank, examine the financial statements and the administration of such bank. The SFSA did not appoint an auditor for the fiscal years 2007 to 2014.

The Bank's corporate existence is of unlimited duration.

Capital Adequacy

In 2007, the Act on Capital Adequacy and Large Exposures (*Sw. lag* (2006:1371) *om kapitaltäckning och stora exponeringar*) was adopted to implement the Capital Requirements Directive (the “CRD”) and the Basel II Requirements. The Act implemented transitional rules which were originally intended to expire after 2009 but have been extended until further notice. These transitional rules establish a floor for the capital requirement under Basel II rules and after 2009 the capital requirement may not be less than 80 per cent. of the capital requirements under Basel I rules.

The regulatory requirements demand that a bank’s capital base must cover operational, credit and market risk. The exposure to credit risk can, after approval from the SFSA, be calculated according to models that have been developed internally by the bank. The Bank has been approved by the SFSA to use internal risk classification models in this respect. These models allow for two different internal ratings-based approaches (“IRB”): the foundation approach and the advanced approach. The Bank uses the advanced approach for retail exposures (household and small companies) in Sweden, Norway, Denmark and Finland and for its subsidiaries Stadshypotek AB, Handelsbanken Finans AB and Rahoitus Oy. In 2010, the Bank received permission from the SFSA to also report certain corporate portfolios according to the advanced approach where the counterparties are medium-sized companies, property companies and housing co-operative associations. In 2012, a supplementary application was submitted to the SFSA for large corporate exposures. The exposures that have been approved for reporting according to the IRB approach but not yet for the advanced approach are currently reported according to the foundation approach.

In 2009, the European Commission proposed revisions to the CRD through a new directive 2009/111 (“CRD II”) in order to amend the CRD and the Basel Committee on Banking Supervision proposed revisions to the Basel II Capital Framework in response to the global financial crisis. CRD II came into effect from 30th June, 2011.

In 2010, further revisions to the CRD were adopted through Directive 2010/76/EU (“CRD III”). While certain provisions relating to remuneration reforms took effect from 1st January, 2011, CRD III was fully implemented by 31st December, 2011.

On 16th December, 2010, the Basel Committee on Banking Supervision published the main Basel III rules for new capital and liquidity standards for banks. On 13th January, 2011, the committee issued minimum requirements to ensure that all classes of regulatory capital instruments absorb losses before taxpayers when banks cease to be viable. The majority of the Basel III requirements are expected to be implemented in the participating countries between 1st January, 2013 and 1st January, 2019. Trading and securitisation reforms were implemented in 2011 through the implementation of CRD III to the extent they were not already effective. In relation to globally systemically important banks (G-SIBs), on 4th November, 2011, the Basel Committee on Banking Supervision proposed that such financial institutions should be subject to further buffer requirements to be phased in between 2016 and 2018. This is in line with the G20 communiqué following a meeting held on 18th and 19th February, 2011, in which it referenced ongoing work regarding a comprehensive multi-pronged framework with more intensive supervisory oversight; effective resolution capacity, including in a cross-border context; higher loss absorbency measures that may include – depending on national circumstances – capital surcharges, contingent capital and bail-in instruments, and other supplementary requirements as determined by the national authorities, including systemic levies.

On 27th June, 2013, a revised European capital adequacy and liquidity framework based on the Basel III accord was officially published. The new framework includes one directive, 2013/36/EU (“CRD IV”), which must be transposed into national law, and one regulation, (EU) No. 575/2013 (“CRR”), which is directly applicable in all member states. The changes to the capital adequacy framework include stricter minimum capital requirements for the components in the capital base with

the highest quality, i.e. Common Equity Tier 1 capital (“CET1 capital”) (4.5 per cent.) and Tier 1 capital (6.0 per cent.). The minimum capital requirement is unchanged at 8.0 per cent. In addition to the minimum capital requirements, new buffer requirements are also introduced. The framework also includes buffer requirements for systemically important institutions and a possibility to impose additional buffer requirements nationally for systemic risks. Breach of the combined buffer requirement will result in restrictions on certain capital distributions from the bank, for example, dividend and coupon payments on CET1 and Tier 1 capital instruments. The new requirements under CRD IV and CRR are applicable as of 1st January, 2014. The above mentioned Basel I transitional floors have been extended by the CRR until 31st December, 2017, but may be waived by national supervisory authorities under certain conditions. In Sweden, the SFSA announced on 18th March, 2014 that the Basel I transitional floors will not be waived. The legislative texts of the national implementation of the directive texts of the CRD IV Package were published on 12th May, 2014, and will apply from 2nd August, 2014.

The Swedish Ministry of Finance, the SFSA and the Riksbank announced in November 2011 that higher capital standards than those set forth in the Basel III framework or the CRD IV proposal would be required from domestic systemically important banks (D-SIBs). As of the date of this Offering Circular, certain proposed legislative amendments to implement CRD IV in Sweden have not yet been adopted. However, on 8th May, 2014, the SFSA announced plans for how the new capital requirements will be applied once the proposal is adopted. Pursuant to this announcement, the four major Swedish banks, including the Group, will be assigned a systemic risk buffer of 3.0 per cent. in CET1 capital as of 1st January, 2015. A further 2.0 per cent. CET1 capital requirement will apply within the framework of the SFSA’s supervisory review process (referred to as “Pillar 2”). This clarifies the composition of the previously announced requirement to hold 12.0 per cent. CET1 capital ratio as of 1st January, 2015.

Furthermore, and in addition to the capital requirements mentioned above, pursuant to the announcement on 8th May, 2014, the SFSA considers that given current economic conditions, the countercyclical capital buffer should be activated in Sweden. The buffer level will be set following consultations with other relevant Swedish authorities. The SFSA announced on 12th June, 2014, a proposed buffer level for exposures in Sweden of 1 per cent.. Moreover, the risk weight floor for Swedish mortgages will be raised from the current level of 15 per cent. to 25 per cent. within the framework of Pillar 2. Additionally, the SFSA intends to increase risk-weights for Norwegian mortgage loans within Pillar 2 for Swedish companies active on the Norwegian mortgage loan market, including the Group. However, no decision will be made until Finanstilsynet (the Norwegian Financial Supervisory Authority) has decided on the new risk weight requirements. As at the date of this Offering Circular, and according to the SFSA announcement, the Group meets the proposed new capital requirements

The Basel III Non-Viability Requirements form part of the broader Basel III package and will be implemented in the European Economic Area by way of the “BRRD” (see “Risk Factors – EU bank recovery and resolution directive”). If such statutory loss absorption at the point of non-viability is not implemented by 31st December, 2015 then CRR indicates that the European Commission shall review and report on whether a provision should be included in CRR and, in light of that review, come forward with appropriate legislative proposals.

The following table sets forth an analysis of the Group’s capital adequacy as of 31st March, 2014:

Common equity tier 1 ratio, CRD IV	19.5%
Tier 1 ratio, CRD IV	21.1%
Total capital ratio, CRD IV	24.5%

Risk exposure amount CRD IV, SEK millions	487,913
Capital base in relation to capital requirement according to Basel I floor	141%

Subsidiaries

Significant subsidiaries within the Group include the following:

Stadshypotek AB provides mortgage loans for single family houses, second homes, apartments in housing co-operatives, agricultural/forestry properties, multi-family dwellings, commercial properties and office buildings. Stadshypotek AB's activities are concentrated in Sweden, but in recent years branches have been established in each of Norway, Denmark and Finland. Stadshypotek's operations are fully integrated with the Bank's branch operations in these countries.

Handelsbanken Fonder Group manages and administers the Group's mutual funds and administers funds for corporate customers and has operations in Sweden, Norway, Denmark and Finland. It also sells mutual funds in Norway, Finland and Luxembourg.

Handelsbanken Finans Group offers leasing, conditional sales, financing of vehicle fleets, debt collection and sales finance to consumers not only through the Bank's branches, but also in collaboration with vendors and retailers. Handelsbanken Finans offers a full range of products and services through the Bank's branch office network in Sweden, Norway, Denmark and Finland, while its operations in Great Britain, Poland and China are primarily limited to leasing, as well as hire and purchase operations.

The Group's wholly-owned subsidiary Handelsbanken Liv offers a complete range of life insurance products, such as individual pension insurance, occupational pensions, group life insurance, unit-linked insurance and health and accident insurance, as well as endowment insurance. Handelsbanken Liv has operations in Sweden, Norway and Finland, and its products are marketed and sold through the Group's branch network in these countries.

TAXATION

Swedish Taxation

The following summary outlines certain Swedish tax consequences relating to holders of Notes. The summary is based on the laws of the Kingdom of Sweden as currently in effect and is intended to provide general information only. The summary does inter alia not address situations where Notes are held in an investment savings account (Sw. investeringssparkonto), tax consequences in connection with a write-down of Undated Subordinated Notes, Capital Contribution Securities or Enhanced Capital Contribution Securities, tax consequences following variation or substitution (instead of redemption) of Capital Contribution Securities or Enhanced Capital Contribution Securities or the rules regarding reporting obligations for, among others, payers of interest. Investors should consult their professional tax advisors regarding the Swedish tax and other tax consequences (including the applicability and effect of tax treaties for the avoidance of double taxation) of acquiring, owning and disposing of Notes in their particular circumstances.

Holders not resident in the Kingdom of Sweden

Payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes to the holder of any Notes should not be subject to Swedish income tax, provided that such a holder is not resident in the Kingdom of Sweden for Swedish tax purposes and provided that such a holder does not have a permanent establishment in the Kingdom of Sweden to which the Notes are effectively connected.

However, and somewhat simplified, provided that the value or the return of the Notes is related to securities taxed as shares, private individuals who have been residents of the Kingdom of Sweden or have had a habitual abode in the Kingdom of Sweden at any time during the calendar year of disposal or redemption or the ten calendar years preceding the year of disposal or redemption, are liable for capital gains taxation in the Kingdom of Sweden upon disposal or redemption of such Notes. In a number of cases though, the applicability of this rule is limited by the applicable tax treaty for the avoidance of double taxation.

Swedish withholding tax, or Swedish tax deduction, is not imposed on payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes, except for certain payments of interest (and other returns on Notes) to a private individual (or an estate of a deceased individual) with residence in the Kingdom of Sweden for Swedish tax purposes (see “Holders resident in the Kingdom of Sweden” below).

Holders resident in the Kingdom of Sweden

Generally, for Swedish corporations and private individuals (and estates of deceased individuals) with residence in the Kingdom of Sweden for Swedish tax purposes, all capital income (e.g. income that is considered to be interest for Swedish tax purposes and capital gains on Notes) will be taxable. Specific tax consequences may, however, be applicable to certain categories of corporations, e.g. life insurance companies. Further, specific tax consequences may be applicable if, and to the extent, a holder of Notes realises a capital loss on the Notes and to any currency exchange gains or losses.

If amounts that are considered to be interest for Swedish tax purposes are paid by a legal entity domiciled in the Kingdom of Sweden, including a Swedish branch, to a private individual (or an estate of a deceased individual) with residence in the Kingdom of Sweden for Swedish tax purposes, Swedish preliminary taxes are normally withheld by the legal entity on such payments.

Swedish preliminary taxes should normally also be withheld on other returns on Notes (but not capital gains), if the return is paid out together with such a payment of interest referred to above.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code (“FATCA”) impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a “foreign financial institution”, or “FFI” (as defined by FATCA)) that does not become a “Participating FFI” by entering into an agreement with the U.S. Internal Revenue Service (“IRS”) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a “United States Account” of an Issuer (a “Recalcitrant Holder”). The Issuer is classified as an FFI.

The new withholding regime will be phased in beginning 1st July, 2014 for payments from sources within the United States and will apply to “foreign passthru payments” (a term not yet defined) no earlier than 1st January, 2017. This withholding would potentially apply to payments in respect of (i) any Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the “grandfathering date”, which is the later of (a) 1st July, 2014 and (b) the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued before the grandfathering date, and additional Notes of the same series are issued on or after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an “IGA”). Pursuant to FATCA and the “Model 1” and “Model 2” IGAs released by the United States, an FFI in an IGA signatory country could be treated as a “Reporting FI” not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being “FATCA Withholding”) from payments it makes (unless it has agreed to do so under the U.S. “qualified intermediary,” “withholding foreign partnership,” or “withholding foreign trust” regimes). The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The U.S. Department of the Treasury has announced that it is actively engaged in a dialogue towards concluding an IGA with Sweden.

If the Issuer becomes a Participating FFI under FATCA, such Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

If an amount in respect of FATCA Withholding were to be deducted or withheld from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

EU Savings Directive

Under Directive 2003/48/EC, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24th March, 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1st January, 2017. The changes will expand the range of payments covered by Directive 2003/48/EC, in particular to include additional types of income payable on securities. Directive 2003/48/EC will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the EU.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1st January, 2015, in favour of automatic information exchange under Directive 2003/48/EC.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The proposed Financial Transaction Tax (“FTT”)

On 14th February, 2013, the European Commission published a proposal (the “Commission’s Proposal”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “participating Member States”).

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No. 1287/2006 are exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this implementation occurring by 1st January, 2016. The FTT, as initially implemented on this basis, may not apply to dealings in the Notes.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

The Dealers have in an amended and restated Programme Agreement (such Programme Agreement as further amended and restated and/or supplemented from time to time, the “Programme Agreement”) dated 13th June, 2014 agreed with the Bank a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “Form of the Notes” and “Terms and Conditions of the Notes” above. In the Programme Agreement, the Bank has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations thereunder.

The applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement will identify whether TEFRA C rules apply or whether TEFRA is not applicable.

Each Dealer has agreed and each further Dealer appointed under the Programme and each other Purchaser will be required to represent and agree that it will not offer, sell or deliver any Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of such Notes, as determined and certified by the relevant Dealer or Purchaser, or, in the case of an issue of Notes on a syndicated basis, the relevant Lead Manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of U.S. persons. Each Dealer has further agreed and each further Dealer appointed under the Programme and each other Purchaser will be required to agree, that it will send to each dealer or any other purchaser to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (as defined below) (each, a “Relevant Member State”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme and each other Purchaser will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the final terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the

Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive (as defined below), 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of such Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme and each other Purchaser will be required to represent and agree, that:-

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Sweden

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme and each other Purchaser will be required to represent and agree, that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy or sell any Notes or distribute any draft or definitive document in relation to any such offer, invitation or sale in Sweden except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Swedish Financial Instruments Trading Act (*Sw. Lag (1991:980) om handel med finansiella instrument*).

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Act No. 25 of 1948, as amended, the “FIEA”) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme and each other Purchaser will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

General

Each Dealer has agreed, and each further Dealer appointed under the Programme and each other Purchaser will be required to agree that it will comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales and neither the Bank nor any other Dealer shall have any responsibility therefor.

GENERAL INFORMATION

Listing of Notes

This Offering Circular has been approved by the Central Bank as a base prospectus. Application has been made to the Irish Stock Exchange for the Notes issued under the Programme (other than Exempt Notes) within the period of 12 months from the date of this Offering Circular to be admitted to the Official List and trading on the Main Securities Market. The Main Securities Market is a regulated market for the purposes of MiFID.

However, Notes may be issued pursuant to the Programme which will not be admitted to listing on the Official List and admitted to trading and/or quotation by the regulated market of the Irish Stock Exchange or any other listing authority, stock exchange and/or quotation system or which will be admitted to listing, trading and/or quotation by such listing authority, stock exchange and/or quotation system as the Bank and the relevant Dealer(s) may agree.

Authorisation

The Programme and the issue of Notes thereunder have been duly authorised by a resolution of the Board of the Bank passed on 26th March, 2014. No consents, approvals, authorisations or other orders of regulatory authorities are required to be obtained by the Bank under the laws of the Kingdom of Sweden, unless otherwise set out herein, in connection with the issue of Notes or to enable the Bank to undertake and perform its obligations under the Programme Agreement, the Trust Deed, the Agency Agreement and the Notes.

Euroclear and Clearstream, Luxembourg

The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The appropriate codes for each Tranche allocated by Euroclear and Clearstream, Luxembourg will be contained in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement. Transactions will normally be effected for settlement not earlier than three days after the date of the transaction.

The address of Euroclear is 3 Boulevard du Roi Albert III, B.1210 Brussels, Belgium. The address of Clearstream, Luxembourg is 42 Avenue J. F. Kennedy, L-1855 Luxembourg.

Significant/Material Adverse Change

There has been no significant change in the financial or trading position of the Bank or the Group since 31st March, 2014 and there has been no material adverse change in the financial position or prospects of the Bank or the Group since 31st December, 2013.

Litigation

Neither the Bank nor any of its subsidiaries is or has been party to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Bank is aware), which may have, or have had during the twelve months prior to the date hereof, significant effects on the financial position or profitability of the Bank and/or the Group.

Statutory Auditors

The auditors of the Bank and the Group named in the following two paragraphs have audited the accounts of the Bank and the Group in accordance with auditing standards generally accepted for banking companies in the Kingdom of Sweden and without qualification for each of the financial years ended 31st December, 2012 and 31st December, 2013, respectively.

The auditors of the Bank and the Group for the fiscal years ended 31st December, 2012 and 2013 were KPMG AB with Stefan Holmström as auditor in charge, Box 16106, SE-103 23 Stockholm and Ernst & Young AB with Erik Åström as auditor in charge, Box 7850 SE-103 99 Stockholm.

The auditors are Authorised Public Accountants and are members of FAR, the Swedish Institute of Authorised Public Accountants. None of the auditors named above has a material interest in the Issuer.

Documents Available for Inspection

For so long as Notes are admitted to trading on the Irish Stock Exchange, physical copies in English of the following documents will, when published, be available from the registered office of the Bank in Stockholm and from the specified office of each of the Paying Agents:-

- (i) an English translation of the Articles of Association of the Bank;
- (ii) the annual report of the Bank and the annual audited consolidated accounts of the Group (in English) in respect of the financial years ended 31st December, 2012 and 2013, respectively, and the interim unaudited consolidated financial statements of the Group (in English) for the three-month period ended 31st March, 2014;
- (iii) the Programme Agreement, the Trust Deed, (which contains the forms of the global Notes, the definitive Notes, the Coupons and the Talons) and the Agency Agreement;
- (iv) this Offering Circular;
- (v) any future prospectuses, offering circulars, information memoranda, supplementary offering circulars including the Final Terms to this Offering Circular and any other documents incorporated herein or therein by reference; however, a Pricing Supplement relating to a Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Agent as to its holding of Notes and identity); and
- (vi) in the case of each issue of Notes admitted to trading on the Main Securities Market, the syndication agreement (or equivalent document).

Dealers transacting with the Bank

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Bank and its affiliates in the ordinary course of business.

Language of this Offering Circular

The language of this Offering Circular is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Irish Listing Agent

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Bank in connection with the Programme and is not itself seeking admission of the Notes issued under the Programme to the Official List or trading on the Main Securities Market for the purposes of the Prospectus Directive.

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