

BASE PROSPECTUS



Swedbank Mortgage AB (publ)

(Incorporated with limited liability in the Kingdom of Sweden)

€25,000,000,000 Programme for the Issuance of Debt Instruments and S.O. Bonds

Under the €25,000,000,000 Programme (the "Programme") for the Issuance of Debt Instruments and S.O. Bonds described in this base prospectus (the "Base Prospectus"), Swedbank Mortgage AB (publ) ("Swedbank Mortgage" or the "Company"), subject to all applicable legal and regulatory requirements, may from time to time issue debt instruments in bearer or registered form (respectively, "Bearer Instruments" and "Registered Instruments" and together, the "Instruments") and covered bonds in accordance with the Swedish Act (2003:1223) on Issuance of Covered Bonds (Sw: *Lagen (2003:1223) om utgivning av säkerställda obligationer*) (the "S.O. Act") in bearer or registered form (respectively, "Bearer S.O. Bonds" and "Registered S.O. Bonds" and together, the "S.O. Bonds"). The aggregate principal amount of Instruments and S.O. Bonds outstanding at any one time will not exceed €25,000,000,000 or the equivalent in other currencies.

Instruments and S.O. Bonds may be issued on a continuing basis to one or more of the dealers specified under "Overview of the Programme" and any additional dealer(s) appointed under the Programme from time to time by the Company (each a "Dealer" and together the "Dealers"), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the "relevant Dealer" shall, in the case of an issue of Instruments or S.O. Bonds being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Instruments or S.O. Bonds.

This Base Prospectus has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Directive (as defined below). The Central Bank of Ireland only approves this Base Prospectus as meeting the requirements imposed under Irish and European Union ("EU") law pursuant to the Prospectus Directive. Such approval relates only to the Instruments and S.O. Bonds which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU (as amended) ("MiFID II") and/or which are to be offered to the public in any Member State of the European Economic Area (the "EEA"). Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("Euronext Dublin") for Instruments and S.O. Bonds issued under the Programme (other than Exempt Instruments and Exempt S.O. Bonds (each as defined below)) to be admitted to the official list of Euronext Dublin (the "Official List") and to trading on its regulated market (the "Regulated Market"). The Regulated Market is a regulated market for the purposes of MiFID II. References in this Base Prospectus to Instruments or S.O. Bonds being "listed" (and all related references) shall mean that such Instruments or S.O. Bonds have been admitted to the Official List and to trading on the Regulated Market.

The Programme also provides that Instruments and S.O. Bonds may be listed or admitted to trading, as the case may be, on such other or further stock exchanges, markets or quotation systems as may be agreed between the Company and the relevant Dealer. The Company may also issue unlisted Instruments or S.O. Bonds and/or Instruments or S.O. Bonds not admitted to trading on any market.

The requirement to publish a prospectus under the Prospectus Directive only applies to Instruments or S.O. Bonds which are to be admitted to trading on a regulated market in the 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 Base Prospectus to "Exempt Instruments" and "Exempt S.O. Bonds" (together, "Exempt Securities") are to Instruments or S.O. Bonds, as the case may be, for which no prospectus is required to be published under the Prospectus Directive. The Central Bank of Ireland has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Securities.

The Instruments will be subject to Swedish Statutory Loss Absorption Powers (as defined below), as described in "Terms and Conditions of the Instruments – Governing Law, Jurisdiction and Swedish Statutory Loss Absorption Powers".

THERE ARE CERTAIN RISKS RELATED TO ANY ISSUE OF INSTRUMENTS OR S.O. BONDS UNDER THE PROGRAMME, WHICH INVESTORS SHOULD ENSURE THEY FULLY UNDERSTAND (SEE "RISK FACTORS" ON PAGE 7 OF THIS BASE PROSPECTUS).

The Company has been assigned ratings of A-1+ (short term) and AA- (negative watch) (long term) from S&P Global Ratings Europe Limited ("Standard & Poor's") and P-1 (short term) and Aa2 (negative outlook) (long term) from Moody's Investors Service (Nordics) AB ("Moody's"). S.O. Bonds to be issued under the Programme are expected to be assigned a "AAA" rating by Standard & Poor's and a "Aaa" rating by Moody's. Instruments to be issued under the Programme are expected to be rated AA- (long term) and A-1+ (short term) by Standard & Poor's and Aa2 (long term) and P-1 (short term) by Moody's. Each of Standard & Poor's, Moody's and Fitch is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation"). S.O. Bonds and Instruments issued under the Programme may be rated or unrated. Where a Tranche (as defined below) of S.O. Bonds or Instruments is rated, such rating will be specified in the applicable Final Terms (as defined below) or, in the case of Exempt Securities, the applicable Pricing Supplement (as defined below) and will not necessarily be the same as the ratings assigned to the Programme. A credit 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.

Arranger
J.P. Morgan
Dealers

Barclays
BofA Merrill Lynch
Credit Suisse
Deutsche Bank
HSBC
Landesbank Baden-Württemberg
NatWest Markets
RBC Capital Markets
Société Générale Corporate & Investment Banking
UniCredit Bank

BNP PARIBAS
Citigroup
Danske Bank A/S
Goldman Sachs International
J.P. Morgan
Natixis
NORD/LB
Swedbank
UBS Investment Bank

14 May 2019

IMPORTANT NOTICE

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive. When used in this Base Prospectus, "Prospectus Directive" means Directive 2003/71/EC (as amended or superseded), and includes any relevant implementing measure in a relevant Member State of the EEA.

The Company accepts responsibility for the information contained in this Base Prospectus and the Final Terms or, in the case of Exempt Securities, the Pricing Supplement, for each Tranche of Instruments or S.O. Bonds issued under the Programme. To the best of the knowledge of the Company (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Company has confirmed to the Dealers that this Base Prospectus is true and accurate in all material respects and not misleading; that there are no other facts in relation to the information contained or incorporated by reference herein the omission of which would, in the context of the Programme and the issue of the Instruments or the S.O. Bonds, make any statement herein misleading in any material respect; and that all reasonable enquiries have been made to verify the foregoing. The Company has further confirmed to the Dealers that this Base Prospectus (together with, in relation to any Tranche of Instruments or S.O. Bonds, the applicable Final Terms or, in the case of Exempt Securities, the applicable Pricing Supplement) contains all information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Company, Swedbank AB (publ) and its subsidiaries (the "Swedbank Group" or the "Group") and of the rights attaching to the relevant Instruments and S.O. Bonds.

In relation to any Tranche, the aggregate nominal amount of the Instruments or S.O. Bonds of such Tranche, the interest (if any) payable in respect of the Instruments or S.O. Bonds of such Tranche, the issue price and certain other information which is relevant to such Tranche will be set out in a final terms document ("Final Terms") or, in the case of Exempt Securities, a pricing supplement ("Pricing Supplement").

In relation to Instruments or S.O. Bonds to be listed on Euronext Dublin, the Final Terms will be filed with the Central Bank of Ireland on or before the date of issue of the Instruments or S.O. Bonds of such Tranche. Copies of Final Terms relating to Instruments or S.O. Bonds listed on Euronext Dublin will be published on the website of the Central Bank of Ireland at <https://www.centralbank.ie/regulation/industry-market-sectors/securities-markets/prospectus-regulation/prospectuses> and on the website of Euronext Dublin at www.ise.ie.

This Base Prospectus contains information sourced from third parties – including Statistics Sweden, Euroclear Sweden AB, the Estonian Central Bank, the Association of Commercial Banks of Latvia, the Financial and Capital Market Commission (Latvia) and the Association of Lithuanian Banks – where indicated with references to third party sources herein. The Company 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 such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Base Prospectus is to be read in conjunction with any amendment or supplement hereto, all information which is deemed to be incorporated herein by reference (see “Information Incorporated by Reference”) and, in relation to any Tranche, the applicable Final Terms or, in the case of Exempt Securities, the applicable Pricing Supplement. This Base Prospectus shall be read and construed on the basis that such information is incorporated in, and forms part of, this Base Prospectus.

The Company has not authorised the making or provision of any representation or information regarding the Company, the Instruments or the S.O. Bonds other than as contained or incorporated by reference in this Base Prospectus, in the Dealership Agreement (as defined under “Subscription and Sale”), in any other document prepared in connection with the Programme or any Final Terms or, in the case of Exempt Securities, any Pricing Supplement, or as approved for such purpose by the Company. Any such representation or information should not be relied upon as having been authorised by the Company or any of the Dealers.

None of this Base Prospectus, any financial statements and any other information supplied in connection with the Programme, any Instruments or any S.O. Bonds (i) is intended to provide the sole basis of any credit or other evaluation of the Company, (ii) constitutes an offer or an invitation to subscribe for or purchase any Instruments or S.O. Bonds or (iii) should be considered as a recommendation by the Company, the Dealers or any of them that any recipient of this Base Prospectus, any financial statements or any other information supplied in connection with the Programme, any Instruments or any S.O. Bonds should subscribe for or purchase any Instruments or S.O. Bonds. Each recipient of this Base Prospectus, any financial statements or any other information supplied in connection with the Programme, any Instruments or any S.O. Bonds shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Company.

No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and neither the Dealers nor any of their respective affiliates makes any representation or warranty or accepts any responsibility, as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Company in connection with the Programme. Neither the delivery of this Base Prospectus or any part thereof or any Final Terms or, in the case of Exempt Securities, any Pricing Supplement, nor the offering, sale or delivery of any Instrument or S.O. Bond shall in any circumstances create any implication that there has been no adverse change in the financial situation of the Company since the date of this Base Prospectus or, as the case may be, the date upon which this Base Prospectus has been most recently amended or supplemented.

The distribution of this Base Prospectus and any Final Terms or, in the case of Exempt Securities, any Pricing Supplement, and the offering, sale and delivery of the Instruments and S.O. Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms or, in the case of Exempt Securities, any Pricing Supplement comes are required by the Company and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Instruments and S.O. Bonds and on distribution of this Base Prospectus or any Final Terms or, in the case of Exempt Securities, any Pricing Supplement and other offering material relating to the Instruments and S.O. Bonds, see “Subscription and Sale”. In particular, Instruments and S.O. Bonds have not been and will not be registered under the United States Securities Act of 1933 (as amended) and may include Instruments or S.O. Bonds in bearer form which are subject to U.S. tax law requirements. Subject to certain exceptions, Instruments and S.O. Bonds may not be offered, sold or delivered within the United States or to U.S. persons. Neither this Base Prospectus nor any Final Terms or, in the case of Exempt Securities, any Pricing Supplement, may be used for the purpose of an offer or solicitation

by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

Instruments and S.O. Bonds to be issued under the Programme do not have the benefit of a guarantee. Holders of such Instruments and S.O. Bonds therefore have no recourse against Swedbank AB (publ).

The Instruments or S.O. Bonds may not be a suitable investment for all investors. Each potential investor in the Instruments or S.O. Bonds must determine the suitability of an investment in the Instruments or the S.O. Bonds in light of its own circumstances. In particular, each potential investor should consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the relevant Instruments or S.O. Bonds, the merits and risks of investing in the relevant Instruments or S.O. Bonds and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Instruments or S.O. Bonds and the impact such investment will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Instruments or S.O. Bonds, including Instruments or S.O. Bonds with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which such investor's financial activities are principally denominated;
- (iv) understands thoroughly the terms of the relevant Instruments or S.O. Bonds and is familiar with the behaviour of any relevant indices and financial markets; and
- (v) 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.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to 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 (i) Instruments and S.O. Bonds are legal investments for it, (ii) Instruments and S.O. Bonds can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Instruments and S.O. Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Instruments and S.O. Bonds under any applicable risk-based capital or similar rules.

In this Base Prospectus, 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 Base Prospectus.

All references in this Base Prospectus to "U.S. dollars", "U.S.\$", "USD" and "\$" refer to United States dollars, references to "SEK" or "Krona" refer to Swedish Krona and references to "EUR", "Euro" and "€" refer to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended.

Interest and/or other amounts payable under Floating Rate Instruments or Floating Rate S.O. Bonds may be calculated by reference to certain reference rates. Any such reference rate (in the case of Instruments or S.O. Bonds other than Exempt Instruments or Exempt S.O. Bonds, as the case may be) may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "Benchmarks Regulation"). If any such reference rate does constitute such a benchmark, the applicable Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("ESMA") pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmarks Regulation. Transitional provisions in the Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the applicable Final Terms. The registration status of any administrator under the Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Company does not intend to update the applicable Final Terms to reflect any change in the registration status of the administrator.

IMPORTANT – EEA RETAIL INVESTORS

If the applicable Final Terms in respect of any Instruments or S.O. Bonds or, in the case of Exempt Securities, the applicable Pricing Supplement includes a legend titled "Prohibition of Sales to EEA Retail Investors", the Instruments or S.O. Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded) (the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended) (the "PRIIPs Regulation") for offering or selling the Instruments or S.O. Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Instruments or S.O. Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

In respect of each issue of Instruments or S.O. Bonds, the applicable Final Terms or, in the case of Exempt Securities, the applicable Pricing Supplement will include a legend titled "MiFID II Product Governance" which will outline the target market assessment in respect of the relevant Instruments or S.O. Bonds and which channels for distribution of the relevant Instruments or S.O. Bonds are appropriate. Any person subsequently offering, selling or recommending such Instruments or S.O. Bonds (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of such Instruments or S.O. Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue of Instruments or S.O. Bonds about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any Dealer subscribing for any Instruments or S.O. Bonds is a manufacturer in respect of such Instruments or S.O. Bonds, but otherwise neither J.P. Morgan Securities plc (the "Arranger") nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE (AS MODIFIED OR AMENDED FROM TIME TO TIME, THE "SFA")

Unless otherwise specified before an offer of Instruments, the Company has determined and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that all Instruments issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Unless otherwise specified before an offer of S.O. Bonds, all S.O. Bonds issued or to be issued under the Programme shall be capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

STABILISATION

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF INSTRUMENTS OR S.O. BONDS, THE DEALER OR DEALERS (IF ANY) NAMED AS THE STABILISATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN THE APPLICABLE FINAL TERMS OR, IN THE CASE OF EXEMPT SECURITIES, THE APPLICABLE PRICING SUPPLEMENT, MAY OVER-ALLOT INSTRUMENTS OR S.O. BONDS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE INSTRUMENTS OR S.O. BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF INSTRUMENTS OR S.O. BONDS IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF INSTRUMENTS OR S.O. BONDS AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF INSTRUMENTS OR S.O. BONDS. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

TABLE OF CONTENTS

	Page
1. Overview of the Programme	1
2. Risk Factors	7
3. Information Incorporated by Reference	41
4. Terms and Conditions of the Instruments	43
5. Terms and Conditions of the S.O. Bonds	77
6. Use of Proceeds	106
7. Summary of the Swedish Legislation Regarding Covered Bonds	107
8. Subscription and Sale	112
9. Swedbank Mortgage	118
10. The Swedbank Group	121
11. Form of Final Terms	130
12. Form of Pricing Supplement	145
13. Taxation	159
14. Definitions	161
15. General Information	162

1. Overview of the Programme

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

This Overview of the Programme constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No. 809/2004 implementing Directive 2003/71/EC.

Words and expressions defined in “Terms and Conditions of the Instruments” and “Terms and Conditions of the S.O. Bonds” or elsewhere in this Base Prospectus shall have the same meanings in this overview.

Company:	Swedbank Mortgage AB (publ)
Company Legal Entity Identifier (LEI):	549300TJREQ7GHIXWR36
Arranger:	J.P. Morgan Securities plc
Dealers:	Barclays Bank Ireland PLC, Barclays Bank PLC, BNP Paribas, BofA Securities Europe SA, Citigroup Global Markets Europe AG, Citigroup Global Markets Limited, 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, Landesbank Baden-Württemberg, Merrill Lynch International, Natixis, NatWest Markets Plc, Norddeutsche Landesbank - Girozentrale -, RBC Europe Limited, Société Générale, Swedbank AB (publ), UBS AG, UBS Europe SE, UniCredit Bank AG and any other Dealer appointed from time to time by the Company.
Programme Amount:	€25,000,000,000 (or its approximate equivalent in other currencies), subject to any duly authorised increase.
Form of Instruments:	Instruments may be issued in bearer form or in registered form. Each Tranche of Instruments in bearer form will initially be represented by a temporary global instrument in bearer form (a “Temporary Global Instrument”) which will (i) if the Temporary Global Instrument is intended to be issued in new global instrument (“NGI”) form, as specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement be delivered on or prior to the original issue date of the Tranche to a common safekeeper for Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream, Luxembourg”) and (ii) if the Temporary Global Instrument is not intended to be issued in NGI form, be

delivered on or prior to the original issue date of the Tranche to a common depository for Euroclear and Clearstream, Luxembourg.

Each Tranche of Instruments in registered form sold to non-U.S. persons in reliance on Regulation S under the Securities Act will be represented by beneficial interests in an unrestricted global instrument in registered form, without interest coupons (an "Unrestricted Registered Global Instrument"), which will be deposited either (i) with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("DTC") for the accounts of Euroclear and Clearstream, Luxembourg for the accounts of their respective participants or (ii) with a common depository or common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of a common depository for Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement. Each Tranche of Instruments in registered form sold within the United States in reliance on Rule 144A under the Securities Act will be represented by beneficial interests in a restricted global instrument in registered form, without interest coupons (a "Restricted Registered Global Instrument" and, together with an Unrestricted Registered Global Instrument, the "Registered Global Instruments"), deposited with a custodian for, and registered in the name of a nominee of, DTC.

Form of S.O. Bonds:

S.O. Bonds may be issued in bearer form or in registered form.

Each Tranche of S.O. Bonds in bearer form will initially be represented by a temporary global S.O. Bond in bearer form (a "Temporary Global S.O. Bond") which will (i) if the Temporary Global S.O. Bond is intended to be issued in new global S.O. Bond ("NGB") form, as specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement be delivered on or prior to the original issue date of the Tranche to a common safekeeper for Euroclear and Clearstream, Luxembourg and (ii) if the Temporary Global S.O. Bond is not intended to be issued in NGB form, be delivered on or prior to the original issue date of the Tranche to a common depository for Euroclear and Clearstream, Luxembourg.

Each Tranche of S.O. Bonds in registered form sold to non-U.S. persons in reliance on Regulation S under the Securities Act will be represented by beneficial interests in an unrestricted global S.O. Bond in registered form, without interest coupons (an "Unrestricted Registered Global S.O. Bond"), which will be deposited either (i) with a custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream, Luxembourg for the accounts of their respective participants or (ii) with a common depository or common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of a common depository for Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper,

as specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement. Each Tranche of S.O. Bonds in registered form sold within the United States in reliance on Rule 144A under the Securities Act will be represented by beneficial interests in a restricted global S.O. Bond in registered form, without interest coupons (a “Restricted Registered Global S.O. Bond” and, together with an Unrestricted Registered Global Instrument, the “Registered Global S.O. Bonds”), deposited with a custodian for, and registered in the name of a nominee of, DTC.

- Status of Instruments: The Instruments of each Tranche constitute unsubordinated and unsecured obligations of the Company and rank *pari passu* without any preference among themselves and at least *pari passu* with all other outstanding unsubordinated and unsecured obligations of the Company, present and future, but, in the event of insolvency, only to the extent permitted by laws relating to creditors rights.
- Status of S.O. Bonds: The S.O. Bonds are issued on an unsubordinated basis and in accordance with the Swedish Act (2003:1223) on Issuance of Covered Bonds (Sw: *Lagen (2003:1223) om utgivning av säkerställda obligationer*) (the “S.O. Act”). As such they have the benefit of priority to a matched pool of assets upon bankruptcy of the Company.
- Offering and Sale: Subject to compliance with all applicable legal and regulatory requirements, the Instruments and the S.O. Bonds may be distributed by way of private or public placement and in, each case, on a syndicated or non-syndicated basis.
- Currencies: Instruments and S.O. Bonds may be denominated in any currency or combination of currencies (including, without limitation, Euro, Japanese Yen, Pounds Sterling and United States dollars) subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
- Issuance in Series: Instruments and S.O. Bonds will be issued in series (each a “Series”). Each Series may comprise either Instruments or S.O. Bonds. Each Series may comprise one or more tranches (“Tranches” and each, a “Tranche”) issued on different issue dates. The Instruments or S.O. Bonds of each Series will all be subject to identical terms, whether as to currency, interest or maturity or otherwise, save that Issue Dates, Interest Commencement Dates and Issue Prices may be different in respect of different Tranches. The Instruments or S.O. Bonds of each Tranche will all be subject to identical terms in all respects (save that a Tranche may comprise Instruments or S.O. Bonds in more than one denomination). Further Tranches of Instruments and/or S.O. Bonds may be issued as part of an existing Series.
- Issue Price: Instruments and S.O. Bonds will be issued on a fully paid basis and may be issued at any price, as specified in the applicable Final Terms or, in the case of Exempt Securities, the applicable Pricing Supplement.

Maturities:	<p>Instruments or S.O. Bonds may have any maturity of not less than one month, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements. No provision is made for the issue of perpetual Instruments or S.O. Bonds.</p> <p>Where Instruments or S.O. Bonds have a maturity of less than one year and either (a) the issue proceeds are received by the Company in the United Kingdom or (b) the activity of issuing the Instruments or S.O. Bonds is carried on from an establishment maintained by the Company in the United Kingdom, such Instruments or S.O. Bonds must: (i) have a minimum denomination value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) by the Company.</p>
Redemption:	<p>Instruments and S.O. Bonds (other than Exempt Securities) will be redeemable at par and, in the case of Exempt Securities only, may be redeemable at par or at such other redemption amount as may be specified in the applicable Pricing Supplement, as determined between the Company and the relevant Dealer.</p>
Interest:	<p>Instruments and S.O. Bonds may be interest-bearing or non-interest bearing.</p>
Benchmark Discontinuation:	<p>If Benchmark Discontinuation is specified to be applicable in the applicable Final Terms or, in the case of Exempt Securities, the applicable Pricing Supplement in relation to a Floating Rate Instrument or S.O. Bond, in the event that a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Company shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Company determining a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, if any, and any Benchmark Amendments as described in Condition 4B(ii)(C).</p>
Denominations:	<p>The Instruments and S.O. Bonds will be issued in such denominations as may be agreed between the Company and the relevant Dealer subject to compliance with all applicable legal and/or regulatory and/or central bank (or equivalent body) requirements, provided however, that (i) the minimum denomination of each Instrument or S.O. Bond admitted to trading on a regulated market within the EEA or offered to the public in a Member State of the EEA in circumstances which require the publication of a prospectus under</p>

the Prospectus Directive will be €100,000 (or, if the Instruments or S.O. Bonds are denominated in a currency other than Euro, the equivalent amount in such currency as at the date of issue of the relevant Instruments or S.O. Bonds) and (ii) Instruments or S.O. Bonds sold in reliance on Rule 144A under the Securities Act shall be issued in minimum denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.

Early Redemption:

Early redemption of Instruments will be permitted for taxation reasons as described in “Terms and Conditions of the Instruments – Early Redemption for Taxation Reasons”, but will otherwise be permitted only to the extent specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement, and subject to applicable laws and regulations. Early redemption of S.O. Bonds will only be permitted to the extent specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement, and subject to applicable laws and regulations.

Taxation:

Payments in respect of Instruments or S.O. Bonds will be made without withholding or deduction in respect of any taxes, duties, assessments or governmental charges imposed or levied by or on behalf of Sweden unless such withholding or deduction of such taxes is required by law. In such circumstances, in respect of Instruments only, the Company will, save as mentioned in “Terms and Conditions of the Instruments – Taxation”, be required to pay additional amounts to cover the amounts so deducted or, in respect of S.O. Bonds only, such withholding or deduction will be made.

Governing Law:

The Instruments and the S.O. Bonds, all related contractual documentation 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 Condition 3 of the Terms and Conditions of the S.O. Bonds will be governed by, and construed in accordance with, Swedish law.

Swedish Statutory Loss Absorption powers:

The Instruments will be subject to Swedish Statutory Loss Absorption Powers, as described in “Terms and Conditions of the Instruments – Governing Law, Jurisdiction and Swedish Statutory Loss Absorption Powers”.

Listing:

Application has been made to Euronext Dublin for certain Instruments and S.O. Bonds issued under the Programme to be admitted to the Official List and to trading on the Regulated Market.

Instruments and S.O. Bonds may be listed or admitted to trading, as the case may be, on other or further stock exchanges, markets or quotation systems agreed between the Company and the relevant Dealer in relation to the Series. Instruments and S.O. Bonds which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms or, in the case of Exempt Securities, the applicable Pricing Supplement, will state whether or not the relevant Instruments or S.O. Bonds are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets and/or quotation systems.

Terms and Conditions:

The Terms and Conditions applicable to each Tranche of Instruments or S.O. Bonds will be as agreed between the Company and the relevant Dealer at or prior to the time of issuance of such Tranche, and will be specified in the applicable Final Terms or, in the case of Exempt Securities, the applicable Pricing Supplement. The Terms and Conditions applicable to each Tranche of Instruments will be those set out on pages 43-76 hereof as completed by the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement and/or (in the case of Exempt Instruments only) amended, modified or replaced by the applicable Pricing Supplement. The Terms and Conditions applicable to each Tranche of S.O. Bonds will be those set out on pages 77-105 hereof as completed by the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement and/or (in the case of Exempt S.O. Bonds only) amended, modified or replaced by the applicable Pricing Supplement. See also "Exempt Securities" below.

Exempt Securities:

The Company may agree with any Dealer that Exempt Instruments or Exempt S.O. Bonds may be issued in a form not contemplated by the Terms and Conditions of the Instruments herein or the Terms and Conditions of the S.O. Bonds herein, as the case may be, in which event the relevant provisions will be included in the relevant Pricing Supplement.

Enforcement of Instruments and S.O. Bonds in Global Form:

In the case of Instruments and S.O. Bonds in global form, investors have the benefit of a Deed of Covenant (the "Deed of Covenant") dated 13 May 2015, and available for inspection at the specified office of the Fiscal Agent and, in relation to a Tranche of Registered Instruments or Registered S.O. Bonds, the Registrar and by their arrangements with Euroclear and/or Clearstream, Luxembourg and/or SIS.

Clearing Systems:

Euroclear, Clearstream, Luxembourg, DTC and/or SIS and/or, in relation to any Tranche of Instruments or S.O. Bonds, any other clearing system as may be specified in the applicable Final Terms or, in the case of Exempt Securities, the applicable Pricing Supplement.

Events of Default in respect of Instruments:

As more fully described in Condition 6 of the Instruments.

Events of Default in respect of S.O. Bonds:

None.

2. Risk Factors

Investing in the Instruments or S.O. Bonds involves certain risks. If any of the risks described below materialise, the Group's business, financial condition and results of operations could suffer, and the trading price and liquidity of the Instruments or S.O. Bonds could decline, in which case an investor may lose some or all of the value of its investment.

The Group originates a significant proportion of the mortgage assets of Swedbank Mortgage, therefore risk factors relating to the wider Group have been included below. Swedbank Mortgage believes that the factors described below represent the principal risks inherent in investing in Instruments and S.O. Bonds issued under the Programme, but Swedbank Mortgage may be unable to pay interest, principal or other amounts on or in connection with any Instrument or S.O. Bond for other reasons which may not be considered significant risks by Swedbank Mortgage based on information currently available to them or which they may not currently be able to anticipate, and Swedbank Mortgage does not represent that the statements below regarding the risks of holding any Instruments and S.O. Bonds are exhaustive. Swedbank Mortgage is a subsidiary of Swedbank AB (publ). References herein to "Group" and "Swedbank Group" are to Swedbank AB (publ) and its subsidiaries. As Swedbank Mortgage is part of the Group, risks relating to the Group and Swedbank AB (publ) may also, directly or indirectly, impact on Swedbank Mortgage.

Words and expressions defined in "Terms and Conditions of the Instruments" and "Terms and Conditions of the S.O. Bonds" below or elsewhere in this Base Prospectus have the same meanings in this section.

2.1 Risks Relating to Swedbank Mortgage

2.1.1 Credit risk.

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in Swedbank Mortgage's business. In particular, Swedbank Mortgage's exposures to corporate customers could be subject to adverse changes in credit quality in the event of a deterioration of the economic environment in Swedbank Mortgage's markets in Sweden. Actual credit impairments vary over the business cycle, and additional credit impairments may occur at a rate higher than experienced in the past due to the prevailing market conditions. In addition, actual credit impairments may exceed Swedbank Mortgage's allowances for anticipated credit impairment, thereby resulting in further unanticipated losses.

Adverse changes in the credit quality of Swedbank Mortgage's borrowers and counterparties are likely to affect the recoverability and value of Swedbank Mortgage's assets and require an increase in Swedbank Mortgage's provisions for anticipated credit impairments, which in turn would adversely affect Swedbank Mortgage's financial performance. Additionally, a significant increase in the size of Swedbank Mortgage's allowance for credit impairments and credit impairments not covered by allowances would have a material adverse effect on Swedbank Mortgage's business, financial condition and results of operations.

2.1.2 Market risk.

Swedbank Mortgage's interest rate risks arise when interest on assets and liabilities do not coincide. Swedbank Mortgage has both floating-rate and fixed-rate assets which are actively managed and hedged to reduce interest rate risk, either through matched funding or through interest rate swap contracts. Swedbank Mortgage conducts lending in Swedish krona but funds loans in other currencies, in particular EUR and U.S. dollars, which are then swapped into Swedish krona. While Swedbank Mortgage aims to mitigate interest rate and foreign exchange risk arising from this mismatch between lending and funding currencies, there can be no assurance that such hedging will be effective in eliminating all or substantially all interest rate and/or foreign exchange risk. Should arrangements to mitigate market risk in Swedbank Mortgage fail, e.g. through failure by its counterparty to perform its obligations or make payments or otherwise, or changes in interest rates or currency rates, this might have a material adverse effect on Swedbank Mortgage's business, financial condition and results of operations.

2.1.3 Liquidity risk.

Swedbank Mortgage's funding capacity and ability to raise funding can deteriorate due to a number of different causes, such as a lowered credit rating, large financial losses, rumours or market price changes that affect the size of liquidity reserves. Some of those causes can also increase Swedbank Mortgage's funding needs as Swedbank Mortgage's counterparties demand a higher amount of collateral to perform transactions with Swedbank Mortgage. In addition, the volume of Swedbank Mortgage's funding sources, in particular long-term funding, may be constrained during periods of liquidity stress.

Loans granted by Swedbank Mortgage usually have a legal maturity beyond the maturity of the corresponding funding, which makes Swedbank Mortgage dependent on its ability to continuously refinance its maturing debt with new funding. The inability of Swedbank Mortgage to anticipate and provide for unforeseen decreases or changes in funding sources could have consequences on its ability to meet its obligations when they fall due.

2.1.4 Operational risk.

Operational risk is defined as the risk of losses, business process disruptions or negative reputational impact resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk also includes legal risk and information risk.

Swedbank Mortgage is dependent on Swedbank, as the execution of a large part of the Company's activities and functions is transferred to Swedbank. Responsibility for the execution of these functions and activities has been added to Swedbank through outsourcing and the tasks are integrated into Swedbank's processes.

Operational risk management is an integral part of Swedbank's business operations. Each manager is responsible for identifying, evaluating and managing risks within their area of operation. All business units and staff functions use common methods and tools for operational risk management. These include risk assessment, control-assessment, incident management, reporting and monitoring, new products and product changes, contingency management, and security management.

Group Risk within Swedbank is responsible for operational risk control for Swedbank Mortgage. The responsibility includes identification, measurement, evaluation, monitoring and reporting of operational risks, both the risks within the company as well as those related to the functions and activities outsourced to Swedbank.

2.1.5 Reliance on Swedbank.

Swedbank Mortgage relies on Swedbank for effectively all of its financial, funding, technical, operational, commercial and other support. These functions have been outsourced to Swedbank, which has integrated the operations of Swedbank Mortgage into its own operations. If Swedbank should materially reduce its support to or otherwise fail in its commitments towards Swedbank Mortgage, this could have a material adverse effect on Swedbank Mortgage's business, financial condition and results of operations and its ability to fulfil its obligations under the Instruments and S.O. Bonds.

2.2 Risks Relating to the Group

2.2.1 Worsening economic conditions in the countries where the Group operates may adversely impact the Group and are likely to continue to do so if those conditions persist or recur.

The Group's performance is significantly influenced by the general economic conditions in the countries in which it operates, in particular its primary markets of Sweden, Estonia, Latvia and Lithuania, and, to a lesser degree, Norway. The economic situation in all of the countries in which the Group operates has in recent years been adversely affected in various ways by the turmoil in the global financial markets. These countries have in the past decade experienced periods of declining economic growth or recessions, increasing rates of unemployment, and, in the case of Estonia, Latvia and Lithuania (together, the "Baltic countries"), decreasing lending volumes as well as decreasing asset values.

In addition to these trends, a significant risk facing the Swedish economy is the level of household debt, which has reached historically high levels, with Sweden's household disposable debt-to-income ratio at 187 per cent at the end of 2018 according to the Swedish Central Bank's (Sw: Riksbanken) outlook in February 2019. A shortage of housing, low interest rates and higher house prices have led to a rapid increase in the volume of home lending. This means that households are more sensitive to higher interest rates. Successive Swedish governments have implemented policies to attempt to mitigate these risks and secure financial stability, but such measures may be inadequate or have unpredictable consequences. Attempts by regulators to slow credit growth have been largely ineffective, in part because interest rates have generally remained low in recent years. The introduction in June 2016 by the Swedish Financial Supervisory Authority ("SFSA") of an amortisation requirement for new loans has led to a less active real estate market and housing prices started to decrease at the end of 2017, following a long period of high prices. In March 2018, the SFSA introduced additional amortisation requirements whereby new mortgagors with mortgages in excess of 4.5 times their income must amortise at least 1 per cent of the debt. In addition, an increased supply of housing in recent years has contributed to the decrease in housing prices. The housing prices have started to recover in 2019 and in annual terms the housing prices are slightly higher compared to last year. According to Valueguard, housing prices increased by 0.9 per cent during December-February compared to the previous three month period. In annual terms, the housing prices increased by 0.9 per cent for the first time since autumn of 2017. The annual growth rate in household lending decelerated from 7.0 per cent in February 2018 to 5.3 per cent in February 2019 which is the slowest pace since the middle of 2014. Household lending is growing more in line with disposable income growth, and the household debt-to-income ratio has started to stabilise despite being on a high level.

Any or all of the conditions described above could result in increased default rates and/or decreased lending activity which could have a material adverse effect on the Group's business, financial condition and results of operations.

2.2.2 The Group's business, financial condition and results of operations have been and may continue to be adversely affected by the recent conditions in the global financial markets and uncertainties about the strength of the Eurozone.

The global capital and credit markets have been characterised by volatility and disruption in recent years. During and after the financial crisis in 2008, this has resulted in liquidity constraints and other problems at many of the world's largest commercial banks, investment banks and insurance companies, a number of which are the Group's counterparties or customers in the ordinary course of its business. These conditions also resulted in a material reduction in the availability of financing, both for the Group as well as other financial institutions and their customers.

In March 2015, the European Central Bank (the "ECB") implemented an asset purchase programme, with monthly purchases of EUR 60 billion. The measure was designed to stimulate growth in the Eurozone and raise inflation rates to a sustainable level below, but close to, 2 per cent over the medium term. The programme was extended in March 2016 when the ECB lowered its repo rate and deposit rate to negative rates. The monthly purchases under the asset purchase programme (also called quantitative easing, or "QE") were expanded to EUR 80 billion in April 2016. In December 2016, the ECB further extended the purchase programme to December 2017 but scaled it down from EUR 80 billion to EUR 60 billion per month starting in April 2017. In October 2017, the ECB started to reduce monthly asset purchases from EUR 60 billion to EUR 30 billion from January 2018 until the end of September 2018. In December 2018, the ECB ended the purchase programme, signalling a shift towards a less expansionary monetary policy going forward due to more favourable economic conditions in the Eurozone. The ECB's interest rates were unchanged as of April 2019 and are predicted to remain at their present levels at least through 2019. This was a more dovish decision than at the end of last year. The ECB has been more concerned about the growth outlook and as such, the inflation forecast for the Eurozone has been revised down. Overall, the liquidity situation in the Eurozone has become more favourable due to the ECB's expansionary monetary policy and the level of market disruption and volatility caused by the global financial crisis has abated; however, there are no assurances that these conditions will not recur or that similar events will not occur that have 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 economic growth slowed down in 2018 and continued to slow down at the beginning of 2019, including in Europe, where GDP growth began to decelerate. In addition, EU member states and public finances in Europe face many challenges, including those related to demographic trends and the uncertain impact of the increase in immigration. In addition, the uncertainty surrounding the UK's planned withdrawal from the EU ("Brexit") has had destabilising effects on financial markets and exchange rates. The British Parliament has not agreed on the terms for Brexit after several votes in Parliament. To avoid a hard Brexit (no deal agreement), the planned EU withdrawal on 29 March 2019 has been postponed after negotiations with the EU. At the summit on 10 April 2019, it was decided that the deadline for Brexit be extended to 31 October 2019. However, should the British Parliament approve the Brexit agreement with EU, the British Prime Minister, Theresa May, wants an exit as soon as possible before the EU elections which are due to take place on 26 May 2019. There is still concern that the UK may exit the EU without an agreement. These developments may contribute to the loosening of the political ties within the EU and could negatively impact the European economy and increase volatility in the financial markets, which could impact political cooperation within the EU. Growing populism and rising criticism against the EU contribute to the sense that geopolitical risks in Europe will still be an area of focus during 2019. The EU elections in May could test this sentiment. Furthermore, global markets and economic conditions have been negatively impacted by longstanding market perceptions regarding the ability of certain EU member

states to service their sovereign debt obligations, including Greece, Ireland, Italy, Portugal and Spain.

A slowdown in China's economy, the prospect of an intensified trade war between the United States and China, and a hard Brexit could negatively impact the global economy. In turn, sluggish global growth and declining world trade could have a dampening impact on Swedish export industries. Both the Federal Reserve and the ECB communicated a more dovish monetary policy in March 2019 than the financial markets expected due to growing concern about the global outlook. In the United States, no further increase in interest rates is expected in 2019 from the Federal Reserve while the ECB's first interest hike has been postponed to 2020.

Oil prices have bounced back in 2019 following a sharp decline in the end of 2018. The decrease in supply from Organization of the Petroleum Exporting Countries ("OPEC") has led to an increase in oil prices. In March 2019, the average oil price was USD 67 per barrel from USD 57.4 per barrel in December 2018. Market fluctuations are expected to continue and there can be no assurance that this will not have a material adverse effect on the Group's customers.

The impact of these conditions could be detrimental to the Group and it could experience reductions in business activity, increased funding costs, decreased liquidity, decreased access to the wholesale funding markets, 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.

2.2.3 Swedish households may be exposed to a risk of a decrease in housing prices and changes in regulations applying to mortgages.

In recent years in Sweden, low interest rates (with real interest rates on mortgages in Sweden decreasing from 8.8 per cent to 0.5 per cent between 1995 and 2018), historically low inflation (though it increased slightly in 2018), higher housing prices and increased disposable household income have led to continued strong growth in demand for loans, especially in the residential mortgage market. Demand for housing has increased rapidly in Sweden, partly as a result of rapid growth in the population over the past decade due to increases in immigration. Rapid urbanisation in Sweden has also contributed to an increase in demand for housing in metropolitan areas and other growth regions. Housing prices started to decline at the end of 2017 after having more than tripled since 2000. The downward trend in housing prices generally continued into 2018 but started to recover at the beginning of 2019. According to Valueguard, housing prices increased by 0.9 per cent in February 2019 over the last three months since December 2018. In annual terms, the housing prices increased for the first time since the autumn of 2017. In spite of the downward trend in housing prices, buyers still take mortgage debt, aided by low nominal interest rates, but smaller amounts. Household debt rose to 187 per cent of disposable income at the end of 2018, according to the Swedish Central Bank's February 2019 forecast. About 68 per cent of the household total mortgage stock in Sweden has a floating interest rate, which means households are sensitive to increases in interest rates. A large number of Swedish households therefore may be exposed to the risk of a decrease in housing prices and the Group, through Swedbank Mortgage, is one of Sweden's leading mortgage lenders with a market share of 24 per cent as of 31 December 2018.¹ Due to the historically high household indebtedness levels, significant decreases in housing prices, or increases in interest rates may cause a significant decrease in household incomes and consumption, which would in turn have an effect on the broader economy.

¹ Statistics Sweden (Sw: *Statistiska Centralbyrån*, SCB), 2018-12-31, www.scb.se.

Furthermore, the Basel Committee on Banking Supervision (the “Basel Committee”) has recommended an international standard of 35 per cent risk weight for residential mortgages. In 2014, the SFSA raised the risk weight on residential mortgages to 25 per cent from 15 per cent. In June 2016 the SFSA introduced tighter amortisation requirements. Annual repayment on mortgages of at least two per cent will be made on loans until they reach a 70 per cent loan-to-value (“LTV”) ratio and thereafter annual repayments of at least one per cent will be paid until loans reach a 50 per cent LTV ratio. In March 2018, the SFSA introduced a further tightening of the amortisation requirement. This requires that all new homeowners who borrow more than 4.5 times their gross income (i.e., income before taxes) repay one percentage point more of the mortgage loan per year than they would have to prior to these amendments. This tightening applies in addition to already-existing amortisation rules. The implementation of tighter amortisation requirements and a weaker housing market has lowered credit expansion in the household sector. In February 2019, the annual rate of credit expansion was 5.3 per cent which represents a decline from 7.1 per cent last year. Discussions about reductions in interest deduction have intensified, but political consensus on this matter has not been reached. The Central Bank of Sweden has expressed concern about the housing market and the increase in household lending and has asked for additional macro prudential tools, such as decreased interest deduction, debt ratio of disposable income and lower mortgage share with flexible interest rates, to be implemented. If such macro prudential tools are too stringent, this could have a negative impact both on Swedish growth and on the real estate market. Any defaults could, in turn, have a material adverse effect on the Group’s business, financial condition and results of operations. For further detail around the impact of the risk weight floor, see “—Swedbank or its financial institution subsidiaries may need additional capital and other eligible liabilities in the future to maintain capital adequacy ratios or for other reasons, and it may be difficult to obtain such capital and liabilities.”

2.2.4 *Economic and market conditions have caused substantial credit impairments in the past, and future credit impairments could have a material adverse impact on the Group’s financial condition and results of operations.*

The Group is exposed to credit risk, or the risk that its borrowers may not repay their loans according to their contractual terms and that the collateral securing the payment of these loans may be insufficient. Further, there is a risk of declining market values that may affect the collateral securing the exposure. The Group maintains provisions for credit impairments to cover estimated probable incurred credit impairments inherent in its loan portfolio. The Group’s allowance for credit impairments is based on the Group’s stage provisioning methodology. This methodology is scenario based and includes analysis of loss history, macroeconomic factors, valuation of assets and credit management decisions. The stages are defined by a change in credit risk and exposures are always compared to their risk level at initial recognition. This methodology may be impacted over time as a result of the implementation of International Financial Reporting Standard (“IFRS”) 9, as the credit impairment provisions under IFRS 9 are more sensitive to changes in the future economic outlook of financial assets and are likely to be more volatile as compared to the “current incurred loss” model under International Accounting Standard (“IAS”) 39. IFRS 9 introduced an expected credit loss model, where the expected credit losses are measured based on the stage to which the individual asset is allocated at each reporting date. One of the main effects of the implementation of IFRS 9 on Swedbank has been the classification of certain fully collateralised loans as impaired loans, resulting in an increase in loan loss provisions.

Furthermore, the Group is exposed to concentration risk, which means credit risk relating to large individual exposures or affiliated borrowers as well as significant exposures to groups of counterparties whose probability of default (“PD”) is driven by common underlying factors, such as sector, economy, geographical location, or type of instrument. The impact of the concentration risk could have a material adverse effect on the Group’s business, financial condition and results of

operations. Any of the foregoing risks could have a material adverse effect on the Group's business, financial condition and results of operations.

Swedbank Mortgage's credit risks arise primarily in its lending to the public (mainly private individuals, tenant-owner associations, agriculture and forestry and property management sectors). For further information regarding risk related to the housing market, refer to "—Swedish households may be exposed to a risk of a decrease in house prices and changes in regulations applying to mortgages".

There can be no assurance that the Group will not experience materially lower credit recoveries or higher impairments in the future. Any of the foregoing risks could have a material adverse effect on the Group's business, financial condition and results of operations.

2.2.5 A significant amount of the Group's long-term financing matures in the next 12 months, which the Group may not have the ability to refinance.

A significant portion, approximately SEK 62 billion, or 9 per cent as of 31 March 2019, of the Group's external long-term financing, including maturing subordinated debt, matures in the next 12 months. Disruptions, uncertainty and/or increased volatility in the global capital markets may have a material adverse effect on the Group's ability to raise new financing. This could have a significant adverse effect on the Group's liquidity position, funding maturity profile and operating results. The availability of additional financing depends on a variety of factors, such as market conditions, the availability of credit generally and, specifically for borrowers in the financial services industry, the volume of trading activities, the Group's financial condition, its credit ratings and credit capacity, as well as any negative perception by the Group's customers or lenders of the Group's financial prospects if, for example, the Group incurs large loan losses or other losses, experiences significant deposit outflows or if the level of the Group's business activity decreases due to a market downturn. The Group's access to funds may further be impaired if regulatory authorities impose additional regulatory capital requirements or if ratings agencies downgrade the credit ratings or outlook of Swedbank. For more information about recent regulatory changes to capital requirements, see "—Swedbank or its financial institution subsidiaries may need additional capital and other eligible liabilities in the future to maintain capital adequacy ratios or for other reasons, and it may be difficult to obtain such capital and liabilities".

In addition, an increase in interest rates and/or widening of credit spreads, as well as the restriction on the availability of credit, including, but not limited to, interbank credit, can impact the Group's ability to borrow on a secured or unsecured basis, which may have a material adverse effect on the Group's liquidity and results of operations. In difficult credit market conditions, the Group may be forced to fund its operations at a higher cost or it may be unable to raise as much short- or long-term funding as needed to support its business activities. This could cause the Group to curtail its business activities, which could have a material adverse effect on the Group's business, financial condition and results of operations.

2.2.6 The Group may be unable to successfully foreclose on the collateral securing its loans in default, and even if it is successful in its foreclosure efforts, it may be unable to successfully repossess the underlying assets, which may adversely affect its ability to recover the value of the collateral.

If a borrower defaults under one of the Group's loans, the Group may foreclose on the loan and/or acquire title to the assets pledged as collateral, and thereafter, make substantial improvements or repairs in order to maximise the asset's realisable value. The borrower may contest enforcement of foreclosure or other compulsory measures, which may delay the foreclosure, or seek bankruptcy protection against the Group. If the borrower seeks bankruptcy protection, certain regulatory

measures may preclude the Group from enforcing foreclosure or other remedies against the borrower. Foreclosure-related costs, high LTV ratios or reductions in the value of the assets may prevent the Group from realising an amount equal to its loans upon foreclosure, and the Group may be required to record losses. Even if the Group were able to successfully foreclose on the collateral securing its exposures, the Group may hold title to pledged assets that it is unable to efficiently repossess or force a sale of, which would adversely affect the Group's ability to recover the value of the collateral securing its exposure. Furthermore, the Group may, as part of its foreclosure on business assets, end up acquiring collateral that is not core to the Group's business and in respect of which it lacks the required operational or management expertise or experience or may be prohibited from owning under applicable regulations. Managing such assets may be costly and may require additional expertise, personnel or outsourcing, options which may not be readily available or available at all. All of the above may adversely affect the Group's business, financial condition and results of operations.

2.2.7 *The Group's guidelines and policies for risk management may prove to be inadequate with respect to unidentified and unforeseen risks.*

The management of business, regulatory and legal risks requires, inter alia, guidelines and policies for the accurate registration and control of a large number of transactions and events. Such guidelines and policies may not always be adequate. Some methods used by the Group to estimate, measure and manage risk are based on historical market behaviour. The methods may prove to be inadequate for predicting future risk exposure, which may differ from what is suggested by prior experience. Other methods for risk management are based on evaluation of information regarding markets, customers or other information that is publicly known or otherwise available to the Group. Such information has not always been, and may not always be, correct, updated or correctly evaluated and may therefore be inadequate for the purpose of risk management, which may in turn have a material adverse effect on the Group's business, financial condition and results of operations.

2.2.8 *Any impairment of goodwill and other intangible assets could have a negative effect on the Group's results of operations.*

Swedbank performs impairment tests on goodwill and other intangible assets at least once per year or whenever there are indications of a decrease in the value of goodwill or other intangible assets. The outcome of any impairment test model depends, among other things, on key input data on macroeconomic factors and long-term growth assumptions. Should economic conditions worsen beyond what the Group expected, or should there be a change in regulatory conditions affecting the Group's assets, either in any of the Group's home markets or in general, an impairment charge relating to goodwill and other intangible assets may need to be recognised, which could have a material adverse effect on the Group's business, financial condition and results of operations.

2.2.9 *The Group is exposed to foreign exchange risk. Fluctuations in the value of foreign currencies could have an adverse effect on the Group's assets, including its loan portfolio, and its results of operations.*

Currency risk arises mainly due to risks related to strategic holdings of foreign operations and when deposits and lending take place in different currencies. Exchange rate movements between SEK, EUR and USD could have a significant adverse effect on the Group's balance sheet position, as a substantial portion of the Group's assets and liabilities are denominated in such currencies and, in the long-term, the Group's income statement is in SEK. Changes in exchange rates affect both the balance sheet directly through strategic positions, and the Group's income statement, as foreign currency cash flows from lending margins could affect net interest income. Fluctuations in the value of foreign currencies may also have a negative impact on the Group's liquidity, since the Group's overall liquidity includes balances which are held in foreign currencies. Additionally, fluctuations in

the value of foreign currencies may also have a negative impact on the Group's capital position, since part of the Group's capital and risk exposure amount is denominated in foreign currencies.

2.2.10 *The Group's business is sensitive to volatility in interest rates and to changes in the competitive environment affecting spreads on its lending and deposits.*

The Group is subject to the risks typical of banking activities, including interest rate fluctuations. Changes in interest rate levels, yield curves and spreads may affect the Group's lending and deposit spreads. The Group is exposed to changes in the spread between the interest rates payable by it on deposits or its wholesale funding costs, and the interest rates that it charges on loans to customers and other banks. While both the interest rates payable by the Group on deposits, as well as the interest rates that it charges on loans to customers and credit institutions, are in each case mainly floating rates or swapped into floating rates, there is a risk that the Group will not be able to re-price its floating rate assets and liabilities at the same time, giving rise to re-pricing gaps in the short or medium term. The Group is also subject to intense competition for customer deposits and the current low interest rate environment puts pressure on the Group's deposit spreads. In recent years, the Group's market share of deposits in Sweden has fallen slightly. The Group may not be able to lower its funding costs, whether relating to deposits or wholesale funding, in line with decreases in interest rates on its interest-bearing assets.

Interest rates are sensitive to several factors that are out of the Group's control, including fiscal and monetary policies of governments and central banks, as well as domestic and international political conditions. An increase in interest rates could reduce the demand for credit, as well as contribute to an increase in defaults by the Group's customers. Conversely, a reduction in the level of interest rates could adversely affect the Group through, among other things, a decrease in demand for deposits and an increase in competition in deposit-taking and lending to customers. As a result of these factors, significant changes or volatility in interest rates could have a material adverse effect on the business, financial condition or results of operations of the Group.

Though the Group has implemented risk management methods aimed at mitigating these and other market risks, and exposures are constantly measured and monitored, it is difficult to predict changes in economic or market conditions and to anticipate the effects that such changes could have on the Group's financial performance and results of operations. While the Group undertakes hedging operations in order to reduce its exposure to interest rate risk, it does not hedge all its risk exposure and cannot assure its hedging strategies will be successful. If the Group is unable to adjust the interest rate payable on deposits in line with the changes in market interest rates receivable by it on loans, or if the Group's monitoring procedures are unable to manage adequately the interest rate risk, its interest income could rise less or decline more than its interest expense, in which case the Group's results of operations and financial condition or prospects could be negatively affected.

2.2.11 *The Group is subject to the risk that liquidity may not always be readily available.*

The Group's liquidity could be impaired by an inability to access debt markets, an inability to sell assets or redeem investments, outflows of deposits or collateral deterioration. This situation could arise due to circumstances that the Group is unable to control, such as continued general market disruption, loss of confidence in financial markets, uncertainty and speculation regarding the solvency of market participants, rating downgrades, or operational problems that affect third parties. Even any perception among market participants that a financial institution is experiencing greater liquidity risk can cause significant damage to the institution, including deposit outflows and access to capital markets on less favourable terms, and consequently its ability to access liquidity. Perceived liquidity risks from rumours or speculation in the marketplace can, in certain circumstances, lead to real liquidity impairments, which can further lead to, amongst other things, a downgrade in credit ratings, thereby exacerbating a downward liquidity spiral. The Group, like its Nordic peers, is reliant

on wholesale funding due to a structural shortage of deposits in the Swedish banking system, which makes it sensitive to prolonged dislocations in the funding markets. The Group's ability to sell assets at commercially desirable prices, or at all, could be impaired if other market participants are seeking to sell similar assets at the same time or are not in the position to finance themselves, or when the market value of assets, including financial instruments underlying derivative transactions to which the Group is a party, is difficult to ascertain, which occurred during the last liquidity crisis. In addition, financial institutions with which the Group interacts could exercise set-off rights or the right to require additional collateral, which could further impair the Group's access to liquidity.

The Group's internal sources of liquidity may prove to be insufficient, and in such case, the Group may not be able to successfully obtain additional financing on favourable terms or at all, which would have a material adverse effect on the Group's business, financial condition and results of operations.

2.2.12 *The Group's funding costs and its access to the debt capital markets depend significantly on its credit ratings.*

Any downgrade of Swedbank's credit ratings, or the credit ratings of its significant subsidiaries such as Swedbank Mortgage, could increase its borrowing costs, adversely affect the liquidity position of the Group, limit its access to the capital markets, undermine confidence in, and the competitive position of, the Group, or trigger obligations under certain bilateral terms in some of its trading and collateralised financing contracts, including requiring the provision of additional collateral as well as limiting the range of counterparties willing to enter into transactions with the Group. Any such event could have a material adverse effect on the Group's business, financial condition and results of operations.

2.2.13 *Substantially all of the Group's retail mortgage portfolio comprises the cover pool for the covered bonds issued by Swedbank Mortgage.*

The Group intends to cover a significant part of its long-term funding requirement through the additional issuance of covered bonds, which will be secured by future retail mortgages issued by Swedbank Mortgage. The Instruments are unsecured obligations of Swedbank Mortgage, and the Holders are subordinated to the covered bondholders and hedge counterparties with respect to the covered bonds, to the extent of the cover pool, and are not likely to ever have access to this cover pool should Swedbank Mortgage become insolvent or be liquidated.

A large part of the Group's retail mortgage portfolio comprises the cover pool for the covered bonds issued by Swedbank Mortgage and does not form part of the general assets of Swedbank that would be available in case of insolvency or liquidation.

2.2.14 *The Group is exposed to systemic risk and its business, profitability and liquidity may be adversely affected by deterioration in the credit quality of, or defaults by, entities who owe the Group money, securities or other assets or whose securities or obligations the Group holds.*

Given the high level of interdependence between financial institutions, the Group is, and will continue to be, subject to the risk of deterioration of the commercial and financial soundness, or perceived soundness, of other financial institutions. Within the financial services industry, concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions, because the commercial and financial soundness of many financial institutions may be closely interrelated as a result of their credit, trading, clearing or other relationships.

The Group is exposed to the risk that entities owing the Group money, securities or other assets will not perform their obligations. These entities may default on their obligations to the Group due to

bankruptcy, lack of liquidity, operational failure or other reasons. The Group is also subject to the risk that its rights against these entities may not be enforceable in all circumstances. For example, different methods of holding collateral in different countries can affect the Group's exposures as well as the value of the collateral to the Group. In addition, deterioration in the credit quality of securities or obligations held by the Group could result in losses and/or adversely affect its ability to transfer or realise value from those securities or obligations in the event of liquidation. A significant downgrade in the credit ratings of the Group's counterparties could also have a negative impact on the Group's results. While in many cases the Group is permitted to require additional collateral from counterparties that experience financial difficulty or when collateral value decreases, disputes may arise as to the amount of collateral the Group is entitled to receive and the value of the counterparty's pledged assets. The termination of contracts and the foreclosure on collateral may subject the Group to claims asserting improper exercise of contractual rights. Bankruptcies, downgrades and disputes with counterparties as to the valuation of collateral tend to increase in times of market stress and illiquidity. Rapid changes in prices on the financial markets may cause the Group's exposure to such counterparties to increase, and in some of those cases the actual value of the Group's collateral is lower than it was when the agreement was entered into. The Group may not be able to retain the value of its collateral due to legal concerns and to the ability of the Group to manage real estate property and other assets.

Even the perceived lack of creditworthiness of, or questions about, a counterparty could lead to market-wide liquidity problems and losses or defaults by the Group or by other institutions. This risk is sometimes referred to as "systemic risk" and could adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom certain of the Group's subsidiaries interact on a daily basis. Systemic risk could have a material adverse effect on the Group's ability to raise new funding and on its business, financial condition, results of operations, liquidity and/or prospects.

2.2.15 *Swedbank or its financial institution subsidiaries may need additional capital and/or eligible liabilities in the future to maintain capital adequacy ratios or for other reasons, and it may be difficult to obtain such capital and/or eligible liabilities.*

The Group, on a consolidated basis, and Swedbank and its financial institution subsidiaries, on an individual basis, are required to maintain minimum capital adequacy ratios, eligible liability levels and solvency levels prescribed by law in each of the jurisdictions in which the Group operates. If the capital or other loss absorbing instruments of the Group are not sufficient to meet the applicable requirements or if the applicable requirements increase, the Group may need to obtain additional capital and/or eligible liabilities in the future and it may not be able to obtain new equity capital or debt financing to meet such requirements on attractive terms (thereby increasing the Group's future cost of funding), or at all.

In addition, if the capital ratios of Swedbank's financial institution subsidiaries deteriorate, Swedbank, as the parent company, could be required to provide funding by way of direct or indirect capital contributions, loans or guarantees of loans into its subsidiaries. To the extent that it does not, Group operations could be restricted in the relevant jurisdictions as a result of regulatory penalties.

Moreover, developments in the regulatory framework, such as changes in the risk weighting of assets, may cause reductions in the Group's capital adequacy ratios and solvency levels and/or cause the applicable minimum capital or eligible liability requirements to increase.

Additionally, macro-prudential authorities may change the Group's capital and/or eligible liability requirements in the future, when they deem it necessary to contain systemic risk.

Further detail on areas which could lead to an increase in the Group's required capital or eligible liabilities are described below.

Capital and other requirements under the CRR and CRD IV

The Swedish capital adequacy framework is based on the CRR (the EU Capital Requirements Regulation ("CRR")) and the CRD IV (the EU Capital Requirements Directive ("CRD IV")), which implement in the EEA the framework for capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions (the so-called "Basel III" framework) published by the Basel Committee in 2010.

The SFSA has imposed capital requirements beyond the minimum level of 7 per cent Common Equity Tier 1 ("CET 1") capital (including the mandatory capital conservation buffer of 2.5 per cent) on Swedish banks, in accordance with the EU rules. Swedbank is required to maintain a systemic risk buffer of 3 per cent in CET 1 capital within the framework of Pillar 1 and a further 2 per cent within the framework of Pillar 2. The countercyclical buffer for Swedish exposures is currently 2.0 per cent and is applicable to Swedish exposures for all banks within Pillar 1 according to CRD IV. The SFSA has also made the decision to increase the countercyclical buffer to 2.5 per cent from September 2019 onwards.

Supervisory authorities in Sweden and at the international level have made note of the major differences among the average risk weights generated by banks' internal models for credit risk under the internal rating-based ("IRB") approach (an approach for calculating capital requirements for credit risk), especially with respect to mortgage lending within the retail exposure class. Since 2014, the SFSA has applied a national macro prudential tool in the form of a 25 per cent mortgage risk weight floor. As of 31 December 2018, it is applied through Pillar 1 instead of Pillar 2.

At present, Swedbank has sufficient CET 1 capital to meet its capital requirements. However, no assurances can be made that Swedbank will continue to hold this level of CET 1 capital, that the regulations around the capital requirements will not change in the future, or that the definition of what constitutes CET 1 capital will not change in the future. Furthermore, the SFSA or other local regulatory authorities may disagree with the implementation of the IRB approach by Swedbank and find it deficient, which could also result in increased capital requirements as well as penalties if capital requirements are breached.

In November 2018, the SFSA published a memorandum explaining that Swedish banks using an internal ratings-based (IRB) approach to calculate their credit risk must analyse their risk classification systems to be compliant with amended guidelines produced by the European Banking Authority (the "EBA"). The new guidelines are intended to align the IRB approach across European banks and the guidelines are estimated to be fully phased in by 2021. As a result of the new guidelines, Swedbank may be required to hold more capital.

On 23 November 2016, the European Commission published legislative proposals for amendments to the CRR (CRR II), the CRD IV (CRD V), the BRRD (BRRD II) and the single resolution mechanism (the "Proposals").

The Proposals cover multiple areas, including the Pillar 2 framework, a binding leverage ratio minimum requirement of 3 per cent., a binding net stable funding ratio requirement, mandatory restrictions on distributions, permission for reducing own funds and eligible liabilities, macroprudential tools, the Basel Committee's new standardised approach for measuring counterparty credit risk exposures, the Basel Committee's Fundamental Review of the Trading Book, the framework for minimum requirement for own funds and eligible liabilities ("MREL") and the integration of the total loss-absorbing capacity standard into EU legislation.

Save for the amendments to the BRRD to introduce a new asset class of “non-preferred” senior debt which entered into force on 28 December 2017 and which were transposed into Swedish law at the end of 2018, and the introduction of IFRS 9 into CRR/CRD, the Proposals have been adopted by the EU and are expected to enter into force towards mid-2019 with varying effective dates thereafter. Until Swedish legislators and authorities have decided on how the Proposals will be implemented in Sweden, it is uncertain how they will affect Swedbank, including its regulatory capital requirements and capital ratios.

MREL

To ensure that banks always have sufficient loss-absorbing capacity, the Swedish Resolution Act, which implemented the BRRD, provides for the Swedish resolution authority, the SNDO, to decide on an MREL requirement for each institution, based on, amongst other criteria, its size, risk and business model.

The SNDO has determined that the MREL requirement for systemically important banks in Sweden, such as Swedbank, will be the sum of a loss absorption amount plus a recapitalisation amount. The loss absorption amount can be met with own funds instruments (CET 1, Additional Tier 1 and Tier 2), while the recapitalisation amount can only be met with eligible liabilities.

Moreover, the SNDO has introduced a requirement that MREL-eligible liabilities for the recapitalisation amount must be subordinated to senior liabilities, whether contractually, by statute or structurally. This subordination requirement will require the issue of new subordinated liabilities that meet the requirements and which may carry higher financing costs than the liabilities which they replace. The SNDO has provided that Swedish banks have to meet the requirement of eligible liabilities in their recapitalisation amount entirely with subordinated eligible liabilities from 2022 onwards. The SNDO has stated that it will monitor a bank’s issue volumes in the phase-in period to ensure a reasonable pace of the adaption to the subordination requirement. In December 2018, the SNDO provided individual specifications on how Swedish banks will have to comply with their MREL requirements in 2019. The MREL requirement for Swedbank on a consolidated basis, excluding insurance, was set as 6.8 per cent. of total liabilities and own funds. The requirement for Swedbank on a solo basis was set as 4.6 per cent. The joint decision explicitly approves Swedbank Group’s resolution plan and the assessment of resolvability of the Swedbank Group. The decision applies from 1 January 2019. As MREL is phased in as well as if MREL requirements change in the future, the Group will need to raise additional capital or eligible liabilities, which it may not be able to do on attractive terms, or at all. When implemented in Sweden, BRRD II may change Swedbank’s need for senior non-preferred instruments.

The Basel Committee

In December 2017, the Basel Committee published proposed amendments to the Basel III Framework. The proposed amendments, referred to as Basel IV, entail substantial changes and are expected to enter into force from 1 January 2022 with a phasing-in period of five years for certain elements. The proposed reforms to Basel III, including the output floor of 72.5 per cent, are expected to increase the risk exposure amount (“REA”) and the capital requirements for Swedbank. The magnitude of the increase is still uncertain and will depend on how Swedish and European competent financial authorities choose to implement the new regulatory framework for European and, in particular, Swedish banks.

2.2.16 Risks relating to changes in accounting and reporting standards

From time to time, the International Accounting Standards Board (the “IASB”), the EU and other regulatory bodies change the financial accounting and reporting standards that govern the

preparation of the Group's financial statements. These changes can be difficult to predict and can materially impact how the Group records and reports its results of operations and financial condition. Examples of recent changes in the financial accounting and reporting standards applicable to the Group that have had and may continue to have a material impact on the Group and its capital requirements are set out below.

IFRS 16 has replaced IAS 17 Leases and sets out the principles for the recognition, measurement, presentation and disclosure of leases. The new standard significantly changes the way lessee entities should account for leases. For lessees, the standard eliminates the distinction between finance and operating leases and requires entities to recognise right-of-use assets and lease liabilities arising from most leases on the balance sheet. In the income statement general administrative expenses are replaced by depreciation of the right-of-use asset and interest expenses on the lease liability. The Group accounted for the transition to IFRS 16 requirements according to the modified retrospective approach, which means adoption from 1 January 2019 with no restatement of the comparative periods. For all leases classified as operating leases under IAS 17 and where the Group acts as lessee, a lease liability and a right-of-use asset are recognised in the balance sheet. The lease liabilities were at transition initially measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application, 1 January 2019. The right-of-use assets were initially recognised at the value of the corresponding lease liability, adjusted for any prepaid lease payments. The Group applies the exemptions afforded by the standard regarding short-term leases and leases for which the underlying asset is of low value. These lease agreements are recognised as expenses. When Swedbank acts as a lessor, the requirements remain largely unchanged and the distinction between finance and operating leases is maintained.

IFRS 17 was issued in May 2017 and is applicable from 1 January 2021, with an expected deferral to 1 January 2022. The standard has not yet been approved by the EU. The new standard establishes principles for recognition, presentation, measurement and disclosure of insurance contracts issued. Insurance contracts in scope will be measured at current value, based on the current estimates of amounts expected to be collected from premiums and pay out for claims, benefits and expenses plus expected profit for providing insurance coverage. The impacts on the Group's financial reports are still being assessed by the Group.

As a result of changes in accounting and reporting standards, the Group may need to obtain additional capital in the future, and may not be able to obtain new equity capital or debt financing qualifying as regulatory capital or MREL on attractive terms, or at all. The Group may need to sell assets and these sales could be at distressed prices, to the extent that a market exists, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

2.2.17 *The Group could see an increased risk in parts of its credit portfolio, resulting in downgrades in the risk classification system.*

The Group could see an increased risk in parts of the credit portfolio, resulting in downgrades in the risk classification system. The Group uses through-the-cycle estimates of PD for the purpose of calculating the regulatory capital requirement. However, such downgrades could result in a higher regulatory capital requirement, which could lead to a need to obtain additional capital. In addition, the Group values assets and assesses the capital adequacy position of its banking subsidiaries using financial models based on assumptions and estimates taking into account the then prevailing market conditions which may prove inadequate if market conditions deteriorate. Furthermore, changes in foreign exchange rates, decreases in collateral ratios as a consequence of the deterioration of the market value of assets pledged as collateral, or deterioration in the economic environment, among

other things, could result in further provisioning and/or an increase in REA, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.2.18 *Governmental responses to market disruptions may be inadequate and may have unintended consequences.*

The Group may be adversely affected by governmental responses to market disruptions in the countries in which it operates. As a result of the financial crisis in 2008 and subsequent government intervention, there has been, and there is expected to continue to be, a substantial increase in governmental policy responses to market disruptions, including reductions in public spending and the imposition of further fiscal austerity measures, and changes in monetary and interest rate policies. Recent examples of such measures include the introduction by the SFSA of amortisation requirements for new mortgage loans in 2016 and 2018. See “—Worsening economic conditions in the countries where the Group operates may adversely impact the Group and are likely to continue to do so if those conditions persist or recur”.

The Group has no control over governmental policy changes or over changes in the interpretation of fiscal legislation by any tax authority. Measures taken by various European governments to stimulate the economy and support the banking system in the event of another economic downturn may lead to an increase in the tax burden or to a reduction in tax benefits. Significant changes in governmental policy responses in Sweden or in the other countries where the Group operates, or difficulties in implementing such responses or with the type and effectiveness of the impact of such responses, could have a relevant adverse impact on the activity, financial situation and operating results of the Group. For instance, the Group may have to enter into future contractual arrangements by operation of law or necessity under which the Swedish Government may have the right to take possession over the Group or part of it or its assets. In such instance of government takeover, the value of the Group or its assets could be considered to be limited and the Group may not receive adequate compensation, which could therefore significantly reduce its assets.

2.2.19 *The Group may be required to reassess assumptions used in the calculation of defined benefit pension schemes and to make further contributions to its pension schemes if the value of the plan assets is not sufficient to cover potential liabilities.*

Nearly all employees hired in the Swedish part of the Group before 2013 are covered by the BTP2 defined benefit pension plan (a multi-employer occupational pension for Swedish banks). Pension risk is the risk that the liabilities of the Group's various defined benefit pension schemes, which are long-term in nature, will be higher than the liabilities projected based on current assumptions. Major assumptions include those pertaining to salary increases, mortality, discount rates and inflation. Risk also arises from the plan assets because the value of these asset portfolios and the returns from them may be less than expected, especially if equity prices, interest rates, counterparty risk (including sovereigns) or inflation are subject to significant changes. Actual outcome might also differ from current assumptions. These changes or differences, as expressed by an actuarial loss, could be significant and could have a negative impact on the Group's results of operations.

The Group makes contributions to the schemes so that the plan assets cover obligations according to Swedish legal requirements. If a deficit arises the Group could be obliged to, or may choose to, make additional contributions to the schemes. The rules in IAS 19 regarding defined benefit pension plans could create volatility in the estimated pension liability and thus to Swedbank's equity through other comprehensive income.

2.2.20 *Market fluctuations and volatility may adversely affect the value of the Group's positions, reduce its business activities and make it more difficult to assess the fair value of certain of its assets.*

The fair value of certain of the Group's assets may decline significantly due to dislocation of financial markets, causing the Group to record mark-to-market losses and may fluctuate over short periods of time. In addition, the Group's estimates of fair value may differ materially both from similar estimates made by other financial institutions and from the values that would have been used if a market for these assets had been readily available. Market fluctuations, in particular, fluctuations in the equity market, also influence the value of assets in funds managed by the Group's asset management business and have a direct impact on the income volatility of the asset management activities. Furthermore, similar to any other holding company with insurance subsidiaries, the Group's level of fees and returns from its equity investments in these subsidiaries are impacted by any decrease in the value of their investment portfolios, poor investment returns and the requirement to maintain assets sufficient to cover mandatory provisions for insurance claims.

The fair value of interest bearing securities trading in active markets is ordinarily based on market prices (mark-to-market). However, where quoted prices on instruments are not readily and regularly available, as was the case in particular during autumn 2008, due in part to the dislocation of the global financial markets, fair value is estimated using an internal valuation model (mark-to-model), which is generally based on observable market data, meaning the prices of financial instruments that are as similar in nature as possible and for which transactions have been completed. These values are then adjusted to best reflect the value of the Group's securities.

2.2.21 *The IT and other systems on which the Group depends for its day-to-day operations can fail for a variety of reasons which may be outside the Group's control; the Group is subject to the risk of infrastructure disruptions or other effects on such systems.*

The Group's operations are highly dependent on its ability to process and monitor, on a daily basis, a large number of transactions, many of which are highly complex, across numerous and diverse markets in many currencies, as well as its ability to accommodate current and future regulatory provisions, such as anti-money laundering monitoring requirements and IFRS 9 record-keeping and calculations. Increased digitisation contributes to making operational risks more complex, not least because the number of places and ways in which the bank interacts with customers is growing. The Group's financial, accounting, data processing or other operating systems and facilities may fail to operate properly or become disabled due to, for example:

- infrastructure issues which are related to hardware, software, network and communication failures, power supply and cooling systems;
- external dependencies where the Group's operations are dependent on third parties such as stock exchanges, clearing houses, external information providers and, software vendors' maintenance providers;
- internal issues such as deterioration in the quality of IT development, support and operations processes, and a high turnover of employees or organisational changes, resulting in an inadequate number of personnel to handle the increasing complexity of operations or manual errors; and
- security issues: the Group's operations rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. The Group's computer systems, software and networks may be vulnerable to unauthorised access, computer viruses or other malicious codes and other external attacks or internal

breaches that could have a security impact. If one or more of such events occur, this potentially could jeopardise the Group's, or the Group's clients' or counterparties', confidential and other information. The Group may be required to spend significant additional resources to modify its protective measures or to investigate and remediate vulnerabilities or other exposures, and it may be subject to litigation and financial losses as well as reputational risks that are either not insured against or not fully covered through any insurance maintained by the Group.

Any disruption in the Group's IT or other systems may have a material adverse effect on the Group's financial condition and results of operations.

Despite the contingency plans and facilities the Group has in place, its ability to conduct business may be adversely impacted by a disruption in the IT infrastructure that supports the businesses and the Group's operations in the countries in which the Group is located. This may include a disruption involving electrical, communications, transportation or other services used by the Group or third parties with whom it conducts business, or a catastrophic event involving any location where the Group has a significant operational base.

In recent years, the Group has, on occasion, experienced system disruptions that have affected customer access to services. In May 2018, a critical incident in the payment system impacted a small number of customers involving large payments of mostly Finnish branch customers as well as certain international payments in Sweden, resulting in a delay of these payments for a significant period of time. In September 2018, Swedbank's Lithuanian internet banking service was impacted by a major distributed denial of service ("DDoS") attack on its internet service provider; due to mitigating measures implemented by the internet service provider, the impact on customers was limited. Another critical incident occurred in December 2018, when certain domestic payments were delayed by 24 hours. Problems encountered with respect to internet reliability may be substantial impediments to internet banking, and IT services provided by critical third parties may fail to be delivered as agreed, both of which may result in a less stable IT operational base or losses sustained by customers, which may in turn have an adverse effect on the Group's business and results of operations.

2.2.22 *The Group's activities may be subject to the risk of cybercrime attacks.*

As for all major financial institutions, Swedbank's activities have been, and could continue to be, subject to an increasing risk of cyber-attacks, the nature of which is continually evolving. Digital developments, together with Swedbank's size and market share, make it a potential target for cybercrime, the cost of which is rising significantly in Europe but at a slower rate in the Nordic region. Cybercrime attempts are primarily related to the Group's card and internet banking operations. Instances of internet banking fraud largely stem from social engineering of our customers, which results in unauthorised persons gaining access to customers' accounts, circumventing technical and logical protection mechanisms. Fraud related to card operations mainly results from theft of card information at retailers and other points of sale. The Group has experienced denial of service attempts against Swedbank's infrastructure on a reoccurring basis, causing minor impacts on availability of services. The Group also expects to face regulatory requirements going forward in relation to cybersecurity, such as the EU General Data Protection Regulation ("GDPR"), which entered into force in May 2018, or the EBA's anticipated regulation on strong customer authentication. See "—The Group's business is subject to substantial regulation and supervision and can be adversely affected by adverse regulatory and governmental developments".

The Group has continued to invest in building systems and defences to address threats from cyber-attacks. However, the Group could continue to experience security breaches or unexpected disruptions to its systems and services, such as the DDoS attack that impacted Swedbank's

Lithuanian internet banking service, in the future. Such security breaches and unexpected disruptions could in turn result in liability to the Group's customers and third parties and have an adverse effect on the Group's business, reputation, financial condition and results of operations.

2.2.23 *Litigation arising from the Group's business conduct may have an adverse impact on its performance and position.*

Entities within the Group could be involved from time to time in legal proceedings arising from the conduct of their business. The reputational and aggregate potential liability in respect thereof cannot be accurately assessed. Any material legal proceedings, or publicity surrounding such legal or regulatory proceedings, could adversely impact the Group's business, reputation, financial condition and results of operations.

2.2.24 *The Group is exposed to anti-money laundering and sanctions compliance risks, and is currently cooperating with investigations by authorities into allegations that the Group may have processed money laundering transactions.*

The Group is subject to anti-money laundering and sanctions laws and regulations. These laws and regulations are continually evolving, and compliance by the Group therewith may be time-consuming and require the Group to incur significant costs. In particular, in recent years, regulators and other authorities have steadily increased their demands and expectations regarding financial institutions' ability to counter money laundering and terrorist financing. As a result, Swedbank has further increased its focus on these issues internally, particularly with respect to customer due diligence ("CDD") and transaction monitoring procedures.

Beginning in February 2019, the television program "Uppdrag granskning," broadcast by the Swedish public broadcaster Sveriges Television (SVT), alleged that significant sums of money had been transferred through the Group's Baltic subsidiaries by customers who may have been involved in money laundering. Swedbank is currently conducting a broad investigation in relation to these allegations. In addition, Swedbank is cooperating fully with the authorities in Sweden, the Baltics and the United States that are conducting investigations regarding historical compliance with applicable anti-money laundering laws and regulations. The internal investigation will include, among other things, a review of the Group's current and historical customer relationships in its Baltic subsidiaries, the preliminary findings from prior internal reviews, the Group's response to recommendations made by prior internal reviews and the Group's compliance with applicable anti-money laundering laws and regulations and governance processes. These investigations are in their early stages and, accordingly, it is not currently possible for Swedbank to predict the timing of when these investigations may be concluded, the outcomes, or the significance of possible consequences that may arise. Violations of anti-money laundering laws and regulations, including in connection with the allegations and investigations discussed above, may have significant financial, legal and reputational consequences for the Group and may, as a result, have a material adverse effect on the Group's financial condition and results of operations.

During the fourth quarter of 2016, Swedbank Latvia entered into an agreement with the Financial and Capital Market Commission (the "FCMC"), which included a number of measures to improve Swedbank's internal control systems, after an audit by the FCMC in the spring of 2016 identified certain deficiencies in Swedbank Latvia's internal control systems, processes and documentation. As part of the settlement, Swedbank also paid a fine of EUR 1.36 million. All agreed actions were implemented by Swedbank in Latvia in 2018 and the terms of the administrative agreement have since been considered satisfied by the FCMC.

As a result of an investigation in the fall of 2017, the Bank of Lithuania found deficiencies in Swedbank's internal control systems, processes and documentation in respect of anti-money

laundering and counter terrorist financing in Lithuania, covering the period from January 2016 to March 2017. Based on these findings, on 15 February 2018, the Bank of Lithuania issued a warning and required Swedbank to take remedial actions. Before and after the investigation, Swedbank implemented a series of measures to improve its internal control systems, to ensure, *inter alia*, the performance of sufficient CDD and to enhance other relevant processes and routines. The deficiencies pointed out by the Bank of Lithuania have since been corrected and presented to the Bank of Lithuania, which has yet to officially revert to Swedbank since such presentation.

In 2016, the SFSA initiated an investigation of a number of banks, including Swedbank, in connection with the leak of financial and legal records known as the “Panama Papers”. The investigation was closed in November 2017 without any sanctions.

Although the Group continuously strives to improve its anti-money laundering and counter-terrorist financing framework and sanctions compliance and works to ensure it has appropriate risk-based policies and procedures in place, it cannot guarantee that its Group-wide anti-money laundering and counter-terrorist financing and sanctions compliance policies and procedures completely prevent instances of money laundering or terrorism financing or breaches of applicable sanctions. Violations of anti-money laundering, or counter-terrorist financing or sanction rules, including in connection with the allegations and investigations discussed above, may have severe financial, legal and reputational consequences for the Group and may, as a result, have a material adverse effect on the Group’s financial condition and results of operations.

2.2.25 *Conflicts of interest, whether actual or perceived, and non-compliance or fraudulent acts may negatively impact the Group.*

As the Group expands the scope of its businesses and its client base, the Group increasingly has to implement policies on corporate governance on a Group-wide level and address potential conflicts of interest and compliance with applicable laws. However, appropriately identifying and dealing with conflicts of interest is complex, in part because internal breaches of policy can be difficult to discover.

As a result, the Group’s reputation could be damaged and there may be a reluctance on the part of clients to enter into transactions where there is the possibility of a conflict, or if the Group is seen as failing to identify, or deal appropriately with, conflicts of interest. In the autumn of 2015, there was media coverage of certain transactions by some of Swedbank’s senior executives which were perceived as raising conflicts of interest issues. In December 2015, Swedbank was notified by the SFSA that they were conducting an investigation into those transactions to see how Swedbank managed any conflicts of interest. The SFSA closed the investigation in Q2 2017 without any sanctions or further actions.

There is no assurance that the policies the Group has regarding conflicts of interest will prevent all instances of actual or perceived conflict, and any actual or perceived conflict could have a material adverse effect on the Group’s reputation and may, as a result, have a material adverse effect on the Group’s financial condition and results of operations.

2.2.26 *Actions or inactions of savings banks which are parties to co-operation agreements with the Group may have a negative impact on the Group.*

In the normal course of business, the Group enters into various commercial agreements with companies related to the banking industry. The Swedish part of the Group has co-operation agreements with Swedish savings banks, pursuant to which the co-operating banks, for instance, market and distribute a range of the Group’s products and services through their own local branch networks. If the reputation or financial condition of one or more of the co-operating banks, through

action or inaction, were to be adversely affected while operating under the Group's trademark, the Group's reputation could also be adversely affected regardless of whether the Group contributed to the action or inaction causing such reputational or financial injury, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

2.2.27 *The Group operates in competitive markets and further increased competition may have an adverse effect on its financial condition and results of operations.*

The Group is subject to significant competition in the markets in which it operates. Competition may increase in some or all of the Group's markets as a result of legislative, regulatory, technological or other factors. Increased competition could cause the Group to lose business or compel it to price products and services on less advantageous terms, or otherwise have an adverse effect on its business, financial condition, results of operations and prospects. Digitisation continues at a brisk pace and customers are increasingly banking through digital channels rather than visiting a branch, which is placing higher demands on the stability of IT systems and on the banking sector to adapt products and distribution channels. In addition, increased competitor participation in the financial sector generally in the Group's principal markets may have an impact on the competitive landscape in such markets and on the way in which banks in those markets conduct their operations. At present, however, it is difficult to predict what the effects of this increased competitor participation will be or how it will differ from jurisdiction to jurisdiction, should it materialise. The Group may experience stronger competition and greater pressure on profit margins. These and other changes in the competitive landscape could adversely affect the Group's business, financial condition, results of operations, liquidity, markets and/or prospects.

2.2.28 *The Group is subject to a variety of risks as a result of its operations outside of Sweden, most notably in the Baltic countries.*

The Group's operations in the Baltic countries present various risks that do not apply, or apply to a lesser degree, to its business in Sweden. In particular, the Group could face heightened economic and political risks in these markets, including economic volatility, recession, inflationary pressure, exchange rate fluctuation risk and interruption of business, as well as civil unrest, moratorium, imposition of exchange controls, sanctions relating to specific countries, expropriation, nationalisation, renegotiation or nullification of existing contracts, sovereign default and changes in law or tax policy. For example, the current geopolitical situation in Russia and Ukraine, including sanctions and embargos, poses a risk to the region. Risks such as these could impact the ability or obligations of the Group's borrowers to repay their loans, the value of the Group's collateral held as security, interest rates and foreign exchange rates, and levels of economic activity. In addition, the Group may face a higher risk of money laundering activity in the Baltic countries and there can be no assurance that the Group's anti-money laundering policies and procedures will entirely mitigate the risk associated with these jurisdictions. As discussed in "— The Group is exposed to anti-money laundering and sanctions compliance risks, and is currently cooperating with investigations by authorities into allegations that the Group may have processed money laundering transactions," the Group is responding to serious allegations that significant sums of money were transferred through the Group's Baltic subsidiaries by customers who may have been involved in money laundering. All of the foregoing factors could have a material adverse effect on the Group's reputation, business, financial condition and results of operations. See "— Conflicts of interest, whether actual or perceived, and non-compliance or fraudulent acts may negatively impact the Group."

2.2.29 *In order to successfully compete, the Group depends on highly skilled individuals; the Group may not be able to retain or recruit key talent.*

The Group's performance is largely dependent on the talents and efforts of highly skilled individuals. The Group's continued ability to compete effectively in its businesses depends on the Group's ability

to attract new employees and to retain and motivate its existing employees. Competition from within the financial services industry and from businesses outside the financial services industry for qualified employees is intense. In addition, current and future laws, including laws relating to immigration and outsourcing, and remuneration restrictions under CRD IV, may restrict the Group's ability to move responsibilities or personnel from one jurisdiction to another or to offer competitive compensation to attract new employees and to retain and motivate its existing employees. The need for higher cost efficiency could also result in a lower rate of wage increases in coming years, which may also impact the Group's ability to retain or recruit employees. This may impact the Group's ability to take advantage of business opportunities, potential efficiencies, or profitably manage its existing or new assets.

Swedbank has recently experienced changes within the Group, including in the composition of its Group Executive Committee. Declines in the future in the level of employee engagement may result in increased employee turnover. Employee competence and dedication to customer service impacts Swedbank's customers' experience and contributes to customer value. Employees have a high workload and the Group requires complex planning of resources, with a need to prioritise both business-driven development and regulatory-driven development while simultaneously managing day-to-day operations. Increased staff-related risks could materially adversely affect the Group's business, financial condition and results of operations.

2.2.30 *The Group's business is subject to substantial regulation and supervision and can be adversely affected by adverse regulatory and governmental developments.*

The Group conducts its businesses subject to ongoing regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies, voluntary codes of practice and interpretations in Sweden and the other countries in which the Group operates. This is particularly the case in the current market environment, which is experiencing increased levels of government and regulatory intervention in the financial sector, which the Group expects to continue for the foreseeable future. Future changes in regulation, fiscal or other policies are unpredictable and beyond the control of the Group and could materially adversely affect the Group's business, financial condition and results of operations.

The Group's operations are contingent upon licences issued by financial authorities in the countries in which the Group operates. Violations of rules and regulations, whether intentional or unintentional, may lead to the withdrawal of some of the Group's licences. Any breach of these or other regulations may adversely affect the Group's reputation, business, results of operations or financial condition.

Swedbank is subject to supervision by the SFSA and to Swedish regulations regarding, among other things, capital adequacy, liquidity and solvency (see "—Swedbank or its financial institution subsidiaries may need additional capital and other eligible liabilities in the future to maintain capital adequacy ratios or for other reasons, and it may be difficult to obtain such capital and liabilities"). Certain of the Group's subsidiaries and operations are subject to the supervision of other local supervisory authorities. In Sweden and elsewhere, there is increased political and regulatory scrutiny of financial and mortgage institutions. Increased regulatory intervention may lead to requests from regulators to carry out wide-ranging reviews of past sales and/or sales practices. The Group's activities are also subject to tax at various rates in the jurisdictions in which it operates, computed in accordance with local legislation and practice. Revisions to tax legislation, such as a proposal by the Swedish government relating to increased taxes on banks, or to such legislation's interpretation may have an adverse effect on the Group's financial condition. The Group is unable to predict what regulatory changes may be imposed in the future as a result of regulatory initiatives in the EU and elsewhere or by the SFSA and other supervisory authorities. If the Group is required to make additional provisions or to increase its reserves as a result of potential regulatory changes, this could

adversely affect the results of operations of the Group. In addition, failure by the Group to comply with regulatory requirements could result in significant penalties.

Furthermore, the GDPR, which entered into force in May 2018, imposes new obligations directly on the Group as primarily a data controller and in some cases a data processor, as well as on many of the Group's customers. Compliance with the GDPR, as well as the implementation of the privacy and process enhancements called for thereunder, can be costly and any failure to comply with the GDPR could subject the Group to legal and reputational risks.

In the United States, passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") has led to significant regulatory reforms affecting the financial services industry, including non-U.S. banks. Among other things, the Dodd-Frank Act addresses systemic risk oversight, bank capital standards, the orderly liquidation of failing systemically important financial institutions, over-the-counter ("OTC") derivatives, increases oversight of credit rating agencies and regulates the ability of banking entities to engage as principal in proprietary trading activities and sponsor and invest in certain private funds (the "Volcker Rule"). The Dodd-Frank Act and other post-financial crisis regulatory reforms in the United States have increased costs, imposed limitations on activities, and resulted in an increased intensity in regulatory enforcement.

In particular, in December 2013, the U.S. Board of Governors of the Federal Reserve System (the "U.S. Federal Reserve") and four other U.S. federal regulatory agencies issued final regulations implementing the Volcker Rule, which restricts banking entities (including Swedbank and all of its global affiliates) from engaging, as principal, in proprietary trading and from sponsoring or holding ownership interests in or having certain relationships with hedge, private equity or other similar funds ("covered funds"), subject to certain exceptions and exclusions. Swedbank has brought its activities and investments into compliance, and has implemented a specific compliance programme. Further implementation efforts may be necessary based on subsequent regulatory interpretations, guidelines or examinations.

Additionally, on 21 and 22 October 2014, the SEC, the U.S. Federal Deposit Insurance Corporation, the U.S. Federal Reserve and certain other U.S. prudential banking regulators approved a final rule that mandates risk retention for securitisations. The final rule requires (with limited exceptions) that the sponsor maintain, unhedged, a minimum of 5 per cent. of the credit risk of the securitised assets and became effective with respect to mortgage-backed securitisations on 24 December 2015 and with respect to other securitisations on 24 December 2016. The failure of the Group to effectively manage regulatory risks could have a material adverse effect on the Group's business, financial condition and results of operations.

While most of the regulations required under the Dodd-Frank Act have been adopted, certain of these regulations are not yet effective and have not yet been finalised. There is uncertainty regarding the nature, scope and timing of additional regulations that are required under the Dodd-Frank Act but which have yet to be promulgated, and in 2018 the U.S. passed legislation which scaled back the scope of the Dodd-Frank Act. As a result, the full effect on Swedbank or its affiliates will not be known until all of the implementing regulations have been adopted. The current administration in the United States adds to the uncertainty about the complete scope of the Dodd-Frank Act and other U.S. regulations, any changes to which could impact Swedbank's business activities and/or the value or liquidity of the Instruments or S.O. Bonds.

2.2.31 *The full scope and consequences of new derivatives regulations are as yet unknown and may impose additional regulatory burdens and costs that may affect the value of the Instruments or S.O. Bonds.*

The European Market Infrastructure Regulation 648/2012 ("EMIR") entered into force in all EU member states, including Sweden, on 16 August 2012. EMIR aims to increase stability and transparency in European OTC derivatives markets and includes measures to require the clearing of certain OTC derivatives contracts through central clearing counterparties, reporting of derivatives and risk mitigation techniques (including margin requirements) for uncleared OTC derivative contracts. A number of EMIR implementing measures have already been adopted but there may be further changes introduced by way of further implementing measures (such as a requirement to clear further classes of OTC derivative contracts) and also EMIR itself is scheduled to be updated. Prospective investors should be aware that the regulatory changes arising from EMIR and its update could significantly increase the cost for Swedbank of entering into or taking any other action in relation to derivative contracts and may adversely affect the value and return on the Instruments or S.O. Bonds.

In addition, Title VII of the Dodd-Frank Act ("Title VII"), as well as other post-financial crisis regulatory reforms in the U.S., have increased costs, imposed limitations on activities and resulted in an increased intensity in regulatory enforcement. Title VII established a comprehensive U.S. regulatory regime for derivatives contracts, including swaps, security-based swaps and mixed swaps ("Covered Swaps"). Among other things, Title VII provides the Commodity Futures Trading Commission and the SEC with jurisdiction and regulatory authority over Covered Swaps, requires the establishment of a comprehensive registration and regulatory framework applicable to Covered Swaps counterparties, such as swap dealers, major swap participants, security-based swap dealers and/or major security-based swap participants, requires the reporting of Covered Swaps data, requires certain swaps and will require certain security-based swaps to be exchange-traded or executed on a swap execution facility or security-based swap execution facility, as applicable, and centrally cleared, and imposes capital requirements and margin requirements for uncleared Covered Swap transactions.

Many of the key regulations implementing Title VII have recently become effective or are in final form, although some continue to be in a proposed form not yet finalised by the appropriate regulator. However, the interpretation and potential impact of these regulations is not yet entirely clear, and certain other key regulations, particularly with respect to security-based swaps, are yet to be finalised or made effective. Due to this uncertainty, a complete assessment of the exact effects of Title VII cannot be made at this time. As Title VII's requirements have been implemented and continue to go into effect, it is clear that these new regulations could adversely affect the value, availability and performance of certain derivatives instruments and may result in additional costs and restrictions with respect to the use of those instruments. Swedbank's use of derivative instruments may be subject to the clearing, capital, margin, business conduct, reporting and/or recordkeeping requirements of Title VII or other related regulatory reforms, that may result in additional regulatory burdens and related costs and expenses.

2.3 Risks Relating to the S.O. Bonds

Holders of S.O. Bonds have a priority right over assets in the Company's cover pool according to the S.O. Act. In some situations, there is a risk that holders of S.O. Bonds would not have the expected priority right or that their priority right would prove to be less extensive than expected, and consequently have a negative impact on the market value of an S.O. Bond. For more information on the S.O. Act, see "Summary of the Swedish Legislation Regarding Covered Bonds" below.

2.3.1 Legal Risks

S.O. Bonds are mainly regulated by the S.O. Act and by the Swedish Rights of Priority Act (Sw: *Förmånsrättslagen (1970:979)*). These Acts cannot provide explicit and detailed rules on every aspect or situation intended to be covered by them and may thus be subject to interpretation in future court rulings having a detrimental effect on the value of the S.O. Bonds. Moreover, amendments and modifications of the aforementioned Acts could have a negative impact on the Terms and Conditions of the S.O. Bonds and on the ability of the holders of the S.O. Bonds to receive all amounts due in respect of the S.O. Bonds.

2.3.2 Failure to Comply with Matching Requirements

According to the S.O. Act, the Company must comply with certain matching requirements with respect to the cover pool and the covered bonds. One of the requirements to maintain the matching of the cover pool is the maintenance of sufficient hedging. Hence, the Company's matching of the cover pool is also dependent on the availability of derivative counterparties with a sufficient rating and the performance by such counterparties of their obligations under derivative contracts.

Failure to comply with the matching requirements would mean that, upon the Company being declared bankrupt, the assets in the cover pool will no longer be separated, and that ordinary bankruptcy procedures will be applied. Payments will then no longer be made in accordance with the Terms and Conditions of the S.O. Bonds, but in accordance with the provisions of the Bankruptcy Act (Sw: *Konkurslagen (1987:672)*). This may mean that a holder of S.O. Bonds will not receive full payment, and that any payment may be made in advance or in arrears. However, the priority right will remain. To the extent the cover pool does not cover the covered bonds and the derivative contracts, remaining claims will rank *pari passu* with other unsecured unsubordinated claims against the Company.

2.3.3 Deterioration of the Loan-to-Value Ratio

If the value of property which has been mortgaged as security for the assets in the cover pool decreases substantially – and the Company does not take any action to restore the ratio between the value of the S.O. Bonds and the value of the assets in the cover pool – there is a risk that the Company will not be able to make full payment to the holders of S.O. Bonds.

2.3.4 No Gross-Up in respect of S.O. Bonds

Under the Terms and Conditions of the S.O. Bonds, all payments in respect of the S.O. Bonds will be made without withholding or deduction in respect of any taxes, duties, assessments or governmental charges imposed or levied by or on behalf of Sweden unless such withholding or deduction of such taxes is required by law. In such circumstances, such withholding or deduction will be made and the Company will not be under any obligation to pay additional amounts to investors in respect of any such withholding or deduction and affected investors will receive interest payments net of such withholding.

2.3.5 No Events of Default

The Terms and Conditions of the S.O. Bonds do not include any events of default relating to the Company, the occurrence of which would entitle holders to accelerate repayment of the S.O. Bonds, and holders will only be paid the scheduled interest payments under the S.O. Bonds as and when they fall due under the Terms and Conditions of the S.O. Bonds. The absence of any events of default from the Terms and Conditions of the S.O. Bonds may make it less likely that holders will recoup their investment in full in the event that the Company experiences financial distress.

2.3.6 Timely Payments in the Event of Bankruptcy

Provided that (and as long as) the cover pool meets the requirements of the S.O. Act (including the matching requirements), the assets in the cover pool, the S.O. Bonds and any relevant derivative contracts that have been entered into the applicable register are required to be maintained as a unit and kept segregated from other assets and liabilities of the bankruptcy estate of the institution. The administrators-in-bankruptcy are in such case required to procure the continued timely service of payments due under the S.O. Bonds and any relevant derivative contracts. Consequently, the bankruptcy would not as such result in early repayment or suspension of payments to holders of S.O. Bonds or to derivative counterparties, so long as the cover pool continues to meet the requirements of the S.O. Act.

2.3.7 Liquidity Following the Company's Bankruptcy

Upon a credit institution's bankruptcy, neither the credit institution nor its bankruptcy estate would have the ability to issue further covered bonds. Following an amendment to the S.O. Act in 2010, the administrators-in-bankruptcy have been provided an explicit and broad mandate to enter into loan, derivative, repo and other transactions on behalf of the bankruptcy estate with a view to attaining matching of cash flows, currencies, interest rates and interest periods between assets in the cover pool, covered bonds and derivative contracts. However, there can be no assurance as to the actual ability of the bankruptcy estate to raise post-bankruptcy liquidity.

2.3.8 Levy of Execution on the Assets in the Cover Pool

Due to what is generally regarded to be an oversight in the legislation, there is some uncertainty as to whether a creditor that obtains execution (Sw: *Utmätning*) against an asset or assets in the cover pool earlier than three months before the Company's bankruptcy could defeat the priority afforded to the holders of covered bonds in respect of that asset or those assets. Consequently, an execution by a creditor against assets in the cover pool more than three months prior to the Company's bankruptcy could have an adverse affect on the ability to make payments on covered bonds (including the S.O. Bonds, covered bonds issued under the Company's other debt issuance programmes and derivative transactions relating to both the Programme and the Company's other debt issuance programmes). An execution that is levied less than three months before the Company is declared bankrupt will typically not defeat the priority.

2.3.9 Conflicting Interests of Other Creditors

In the event of the Company's bankruptcy, the S.O. Act does not give clear guidance on certain issues, which may lead to a conflict between the holders of the S.O. Bonds, holders of any other covered bonds issued by the Company and counterparties to any derivative agreements on the one hand and other creditors of the Company on the other hand. Examples of such issues include (a) how proceeds from a loan partly registered to the cover pool should be distributed between the portion of such loan registered to the cover pool and the portion of such loan not registered to the cover pool and (b) how the proceeds of enforcement of a mortgage certificate should be distributed if this serves as collateral for two different loans ranking *pari passu* in the mortgage certificate where one such loan is not wholly or partly registered to the cover pool. The lack of clear guidance on these and similar issues may lead to unsecured creditors arguing that part of the proceeds from a loan and/or mortgage certificate should not be included in the cover pool or to any creditors with loans that rank *pari passu* in a mortgage certificate which also serves as collateral for a loan registered to the cover pool arguing that part of the proceeds from such mortgage certificate should not be included in the cover pool.

2.3.10 Payment of Advance Dividends Post the Company's Bankruptcy

In the event of the Company's bankruptcy, an administrator-in-bankruptcy could make advance dividend payments to creditors other than the holders of S.O. Bonds. Although it is likely that an administrator-in-bankruptcy would only authorise such advance dividend payments if satisfied that the cover pool contained significantly more assets than necessary to pay amounts owing to the holders of S.O. Bonds before making such payment, such payment of advance dividends could result in holders of S.O. Bonds not being paid in a timely manner.

2.4 Risks Relating to the Instruments and S.O. Bonds

2.4.1 Risks Relating to the Market Generally

2.4.1.1 The Secondary Market Generally

The Instruments and S.O. Bonds may have no established trading market when issued, and one may never develop (for example, the Instruments or S.O. Bonds may be allocated to a limited pool of investors). If a market for the Instruments and S.O. Bonds does develop, it may not be liquid and may be sensitive to changes in financial markets. Therefore, investors may not be able to sell their Instruments or S.O. Bonds 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 should the Company be in financial distress, which may result in the sale of the Instruments or S.O. Bonds having to be at a substantial discount to their principal amount or for Instruments or S.O. Bonds that are especially sensitive to interest rate, currency and 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 Instruments and S.O. Bonds would generally 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 the Instruments and S.O. Bonds.

2.4.1.2 Lack of Liquidity in the Secondary Market May Adversely Affect the Market Value of the Instruments or S.O. Bonds

Generally weak global credit market conditions could contribute to a lack of liquidity in the secondary market for instruments similar to the Instruments or the S.O. Bonds. In addition, the recent liquidity crisis has limited the primary market for a number of financial products, including instruments similar to the Instruments or the S.O. Bonds. While some measures have been taken by governments, there can be no assurance that the market for securities similar to the Instruments or the S.O. Bonds will recover, either at all or at the same time or to the same degree as any other recovering global credit market sectors.

A failure of the market for securities similar to the Instruments or the S.O. Bonds to recover from these conditions could adversely affect the market value of the Instruments or the S.O. Bonds.

2.4.1.3 Exchange Rate Risks and Exchange Controls

The Company will pay principal and interest on the Instruments and S.O. Bonds in the Specified Currency. 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 (i) the Investor's Currency-equivalent yield on the Instruments or

S.O. Bonds, (ii) the Investor's Currency equivalent value of the principal payable on the Instruments or S.O. Bonds and (iii) the Investor's Currency equivalent market value of the Instruments or S.O. Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Company to make payments in respect of the Instruments or the S.O. Bonds. As a result, investors may receive less interest or principal than expected, or no interest or principal.

2.4.1.4 Interest Rate Risks

Interest rate risk occurs when the interest rate payable on assets and liabilities for a fixed period do not coincide. Investments in Instruments and S.O. Bonds with fixed interest involve a risk that subsequent changes in market interest rates may adversely affect the value of fixed interest Instruments or S.O. Bonds. Investments in Instruments and S.O. Bonds with floating interest involve a risk of adverse changes in the interest rate payable on such Instruments and S.O. Bonds.

2.4.1.5 Credit Ratings May Not Reflect All Risks

S.O. Bonds to be issued under the Programme are expected to be assigned a "AAA" rating by Standard & Poor's and a "Aaa" rating by Moody's. Instruments to be issued under the Programme are expected to be rated AA- (long term) and A-1+ (short term) by Standard & Poor's and Aa2 (long term) and P-1 (short term) by Moody's. There is no guarantee that such ratings will be assigned or maintained or that such credit ratings reflect the potential impact of all risks related to an investment in the relevant Instruments or the relevant S.O. Bonds. Rating agencies may change their rating methodologies, which could lead to a change in the credit ratings assigned to the relevant Instruments or the relevant S.O. Bonds. Accordingly, a credit rating is not a recommendation to buy, sell or hold the relevant Instruments or the relevant S.O. Bonds and may be revised, suspended or withdrawn by the relevant rating agency at any time. Any such revision, suspension or withdrawal could adversely affect the market value of the relevant Instruments or the relevant S.O. Bonds.

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 EU 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 Base Prospectus and if a Tranche of Instruments or S.O. Bonds is rated such rating will be disclosed in the applicable Final Terms or, in the case of Exempt Securities, the applicable Pricing Supplement.

2.4.2 General Risks Relating to Instruments and S.O. Bonds

2.4.2.1 Modification

The Terms and Conditions of the Instruments and S.O. Bonds and the Fiscal Agency Agreement contain provisions for convening meetings of holders of Instruments and S.O. Bonds to consider any matter affecting their interests generally. These provisions permit defined majorities to bind all holders of Instruments and S.O. Bonds including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.

The Terms and Conditions of the Instruments and S.O. Bonds also provide that the Fiscal Agent may agree, without the consent of the holders of the Instruments and the S.O. Bonds and without regard to the interests of particular holders of the Instruments or S.O. Bonds, to any modification of any provision of the Instruments, the S.O. Bonds or the Fiscal Agency Agreement which is, in the opinion of the Company (following the advice of an independent financial institution of international standing), not materially prejudicial to the interests of the holders of the Instruments and the S.O. Bonds or which is, in the opinion of the Company, of a formal, minor or technical nature or is made to correct a manifest or proven error.

2.4.2.2 Change of Law

The Terms and Conditions of the Instruments and S.O. Bonds are governed by English law (except that Condition 3 of the S.O. Bonds is governed by Swedish law) in effect as at the date of issue of the relevant Instruments or S.O. Bonds. S.O. Bonds are issued in accordance with the S.O. Act. No assurance can be given as to the impact of any possible judicial decision or change to English law, Swedish law or English or Swedish administrative practice after the date of issue of the relevant Instruments or S.O. Bonds and any such change could materially adversely impact the value of any Instruments or S.O. Bonds affected by it.

2.4.2.3 Instruments or S.O. Bonds Where Denominations Involve Integral Multiples: Definitive Bearer Instruments and Definitive Bearer S.O. Bonds

In relation to any issue of Bearer Instruments or Bearer S.O. Bonds which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Instruments or S.O. Bonds 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 its account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of such Instruments or S.O. Bonds such that its holding amounts to (at least) a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a Definitive Bearer Instrument or a Definitive Bearer S.O. Bond, as the case may be, in respect of such holding (should such Definitive Bearer Instruments or Definitive Bearer S.O. Bonds be printed) and would need to purchase a principal amount of Instruments or S.O. Bonds, as the case may be, such that its holding amounts to (at least) a Specified Denomination.

If Definitive Bearer Instruments or Definitive Bearer S.O. Bonds are issued, holders should be aware that Definitive Bearer Instruments or Definitive Bearer S.O. Bonds which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

2.4.2.4 Reliance on DTC, Euroclear and Clearstream, Luxembourg procedures

Instruments and S.O. Bonds issued under the Programme will be represented on issue by one or more Global Instruments or Global S.O. Bonds that may be deposited with a custodian for DTC or a common depository or common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in each Global Instrument or Global S.O. Bond, investors will not be entitled to receive Instruments or S.O. Bonds in definitive form. Each of DTC, Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Instrument or Global S.O. Bond held through it. While the Instruments or S.O. Bonds are represented by a Global Instrument or Global S.O. Bond, investors

will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Instruments or S.O. Bonds are represented by Global Instruments or Global S.O. Bonds, respectively, the Company will discharge its payment obligation under the Instruments or S.O. Bonds by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Instrument or Global S.O. Bond must rely on the procedures of the relevant clearing system and its participants to receive payments under the Instruments or S.O. Bonds. The Company has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Instrument or Global S.O. Bond.

Holders of beneficial interests in a Global Instrument or Global S.O. Bond will not have a direct right to vote in respect of the Instruments or S.O. Bonds so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

2.4.2.5 The Instruments may be subject to write-down or conversion into ordinary shares of Swedbank Mortgage

On 2 July 2014, the BRRD entered into force. The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in unsound or failing credit institutions, investment firms, certain financial institutions and certain holding companies (each a "relevant entity") so as to ensure the continuity of the relevant entity's critical financial and economic functions, while minimising the impact of a relevant entity's failure on the economy and financial system.

The BRRD has been applied by EU Member States from 1 January 2015, except for the general bail-in tool (see below) which has applied from 1 January 2016. The BRRD was implemented in Sweden on 1 February 2016 through the Resolution Act.

The BRRD contains different resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) a relevant entity is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such relevant entity within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business – which enables resolution authorities to direct the sale of the relevant entity or the whole or part of its business on commercial terms; (ii) bridge institution – which enables resolution authorities to transfer all or part of the business of the relevant entity to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control), which may limit the capacity of the relevant entity to meet its repayment obligations; (iii) asset separation – which enables resolution authorities to transfer assets (including, without limitation, impaired or problem assets) to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in – which gives resolution authorities the power to write down certain claims of unsecured creditors (including the Instruments) of a failing relevant entity (which write-down may result in the reduction of such claims to zero) and to convert certain unsecured debt claims (including Instruments) to equity or other instruments of ownership (the "general bail-in tool"), which equity or other instruments could also be subject to any future cancellation, transfer or dilution. Relevant claims for the purposes of the bail-in tool would include the claims of the Holders in respect of any Instruments issued under the Programme, although in the case of S.O. Bonds, this would only be the case if and to the extent that the amounts payable in respect of the S.O. Bonds exceeded the value of the cover pool collateral against which payment of those amounts is secured.

The BRRD also provides for a Member State as a last resort, after having assessed and utilised 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.

A relevant entity 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 it requires extraordinary public financial support (except in limited circumstances).

Under the terms of the BRRD, any application of the general bail-in tool is to be in accordance with the hierarchy of claims in normal insolvency proceedings. Accordingly, the impact of such application on Holders of Instruments will depend on their ranking in accordance with such hierarchy at the relevant time, including any priority given to other creditors such as depositors.

To the extent any resulting treatment of Holders of Instruments pursuant to the exercise of the general bail-in tool is less favourable than would have been the case under such hierarchy in normal insolvency proceedings, a Holder has a right to compensation under the BRRD based on an independent valuation of the relevant entity (which is referred to as the “no creditor worse off safeguard” under the BRRD). Any such compensation is unlikely to compensate that Holder for the losses it has actually incurred and there is likely to be a considerable delay in the recovery of such compensation. Compensation payments (if any) are also likely to be made considerably later than when amounts may otherwise have been due under the Instruments.

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. Holders of the Instruments may be subject to the application of the general bail-in tool, which may result in such Holders losing some or all of their investment. Such application could also involve modifications to or the disapplication of provisions in the Terms and Conditions of the Instruments, including alteration of the principal amount or any interest payable on the Instruments, the maturity date or any other dates on which payments may be due, as well as the suspension of payments for a certain period. As a result, the exercise of the bail-in power or any resolution tools or any suggestion of such exercise could materially adversely affect the rights of Holders, the price or value of their investment in any Instruments and/or the ability of the Company to satisfy its obligations under the Instruments.

2.4.3 Risks Relating to the Structure of a Particular Issue of Instruments or S.O. Bonds

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

2.4.3.1 Instruments and S.O. Bonds Subject to Optional Redemption by the Company

An optional redemption feature is likely to limit the market value of Instruments and S.O. Bonds. During any period when the Company may elect to redeem Instruments or S.O. Bonds, the market value of such Instruments and S.O. Bonds 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 Company may consider it favourable to redeem Instruments or S.O. Bonds when its cost of borrowing is lower than the interest rate on the Instruments or S.O. Bonds. 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 Instruments or S.O. Bonds being redeemed and may only be able to do so at a significantly lower rate.

Instruments will be redeemable at the option of the Company for tax reasons as described in Condition 5.02 of the Terms and Conditions of the Instruments.

Potential investors should consider reinvestment risk in light of other investments available at that time.

2.4.3.2 Fixed/Floating Rate Instruments and S.O. Bonds

Fixed/Floating Rate Instruments and S.O. Bonds will bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis may affect the secondary market in, and the market value of, such Instruments or S.O. Bonds as the change of interest basis may result in a lower interest return for Holders. Where the Instruments or S.O. Bonds convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Instruments or S.O. Bonds may be less favourable than then prevailing spreads on comparable Floating Rate Instruments or S.O. Bonds tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Instruments or S.O. Bonds. Where the Instruments or S.O. Bonds convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Instruments or S.O. Bonds and could affect the market value of an investment in the relevant Instruments or S.O. Bonds.

2.4.3.3 Instruments and S.O. Bonds Issued at a Substantial Discount or Premium

The market values of securities issued at a substantial discount (such as Zero Coupon Instruments or Zero Coupon S.O. Bonds) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for 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.

2.4.3.4 There are risks that certain Reference Rates may be administered differently or discontinued in the future, including the potential phasing-out of LIBOR after 2021, which may adversely affect the trading market for, value of and return on, Floating Rate Instruments and S.O. Bonds based on such Reference Rates.

LIBOR, EURIBOR and other Reference Rates which are deemed to be “benchmarks” are the subject of recent international, national and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently from the past or disappear entirely, or have other consequences that cannot be predicted. Certain risks relating to such benchmarks are described below.

Benchmarks Regulation

The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Floating Rate Instrument or S.O. Bond which specifies Screen Rate Determination in the applicable Final Terms or, in the case of Exempt Securities, the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined and where the applicable Reference Rate is deemed to be a benchmark, particularly if the methodology or other terms of such benchmark are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the benchmark. More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to such benchmark; (ii) trigger changes in the rules or methodologies used in the benchmarks or (iii) lead to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of and return on any Floating Rate Instrument or S.O. Bond linked to a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms and investigations in making any investment decision with respect to any Floating Rate Instrument or S.O. Bond linked to a benchmark.

Discontinuation of LIBOR

Furthermore, LIBOR is the subject of ongoing regulatory reforms. Following the implementation of any of these reforms, the manner of administration of LIBOR may change, with the result that it may perform differently than in the past or be eliminated entirely, or there could be other consequences that cannot be predicted. For example, on 27 July 2017, the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the “FCA Announcement”). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. At this time, it is not possible to predict the effect of any establishment of alternative reference rates or any other reforms to LIBOR that may be enacted in the United Kingdom or elsewhere. Uncertainty as to the nature of such alternative reference rates or other reforms may adversely affect the trading market for LIBOR-linked securities. The potential elimination of benchmarks, such as LIBOR, the establishment of alternative reference rates or changes in the manner of administration of a benchmark could also require adjustments to the terms of benchmark-linked securities and may result in other consequences, such as interest payments that are lower than, or that do not otherwise correlate over time with, the payments that would have been made on those securities if the relevant benchmark was available in its current form.

Benchmark Discontinuation

If “Benchmark Discontinuation” is specified to be applicable in the applicable Final Terms or, in the case of Exempt Securities, the applicable Pricing Supplement for a Floating Rate Instrument or S.O. Bond, in the event that a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Company shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Company determining a Successor Rate, failing which an Alternative Rate. If any such Successor Rate or

Alternative Rate is determined in such manner and the Company, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that amendments to the Terms and Conditions of the Instruments or, as applicable, the Terms and Conditions of the S.O. Bonds are necessary to ensure the proper operation of such Successor Rate and/or Alternative Rate or any Adjustment Spread, then the Company shall, subject to giving notice thereof, without any requirement for the consent or approval of Holders, vary the Terms and Conditions of the Instruments or, as applicable, the Terms and Conditions of the S.O. Bonds to give effect to such amendments with effect from the date specified in such notice.

If a Successor Rate or Alternative Rate is determined by the Company, the Terms and Conditions of the Instruments and the Terms and Conditions of the S.O. Bonds also provide that an Adjustment Spread may be determined by the Company to be applied to such Successor Rate or Alternative Rate, as the case may be. The Adjustment Spread is (i) the spread, formula or methodology which is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body (which may include a relevant central bank, supervisory authority or group of central banks/supervisory authorities), (ii) if no such recommendation has been made, or in the case of an Alternative Rate, the spread, formula or methodology which the Independent Adviser determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate, or (iii) if the Independent Adviser determines that no such spread is customarily applied, the spread, formula or methodology which the Independent Adviser determines and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate, as the case may be. The application of an Adjustment Spread may result in the relevant Instruments or S.O. Bonds, as applicable, performing differently (which may include payment of a lower interest rate) than they would do if LIBOR or the relevant Original Reference Rate (as applicable) were to continue to apply in its current form. If no Adjustment Spread is determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Rate of Interest.

If the Company is unable to appoint an Independent Adviser, it may still determine (i) the Successor Rate or Alternative Rate; and (ii) in either case, an Adjustment Spread and/or any Benchmark Amendments itself (acting in good faith and in a commercially reasonable manner). If a Successor Rate, Alternative Rate, Adjustment Spread or any Benchmark Amendment is not determined pursuant to the Terms and Conditions of the Instruments or, as applicable, the Terms and Conditions of the S.O. Bonds, other fallback provisions under the Terms and Conditions of the Instruments or, as applicable, the Terms and Conditions of the S.O. Bonds may be required to be used, which may in certain circumstances result in the Rate of Interest for an Interest Period continuing to apply at the Rate of Interest applicable to the immediately preceding Interest Period, resulting in the relevant Floating Rate Instruments or S.O. Bonds becoming, in effect, fixed rate securities (potentially until the relevant maturity date of the Floating Rate Instruments or S.O. Bonds depending on whether (i) the Company exercises its option to re-apply the fallback provisions contained in Condition 4(B)(ii)(C) and (ii) (if such fallback provisions are re-applied) a Successor Rate or Alternative Rate is determined pursuant to Condition 4(B)(ii)(C)). Even if a Successor Rate or Alternative Rate and associated Adjustment Spread and/or Benchmark Amendments (if any) are determined pursuant to the Terms and Conditions of the Instruments or, as applicable, the Terms and Conditions of the S.O. Bonds, the overall Rate of Interest payable on the relevant Floating Rate Instruments or S.O. Bonds may be less than it would have been had no Benchmark Event occurred.

Any of the above changes or any other consequential changes to benchmarks as a result of EU, United Kingdom, or other international, national, or other proposals for reform or other initiatives or

investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes could have a material adverse effect on the trading market for, liquidity of, value of and return on any such affected Floating Rate Instruments or S.O. Bonds.

3. Information Incorporated by Reference

The following information which has previously been published or is published simultaneously with this Base Prospectus and has been filed with the Central Bank of Ireland shall be incorporated in, and form part of, this Base Prospectus:

- (1) the audited consolidated financial statements of the Company as at 31 December 2018 (including the auditors' report therein) contained in the annual report of the Company for the year ended 31 December 2018 which can be viewed online at <https://online.swedbank.se/ConditionsEarchive/download?bankid=1111&id=WEBDOC-PRODE30345160>;
- (2) the audited consolidated financial statements of the Company as at 31 December 2017 (including the auditors' report therein) contained in the annual report of the Company for the year ended 31 December 2017 which can be viewed online at https://www.swedbank.com/idc/groups/public/@i/@sbg/@gs/@ir/documents/financial/cid_2580539.pdf;
- (3) the following sections from a previous base prospectus relating to the Programme which can be viewed online at <https://online.swedbank.se/ConditionsEarchive/download?bankid=1111&id=WEBDOC-PPE1341654>: the sections "Terms and Conditions of the Instruments" (pages 45-77 inclusive) and "Terms and Conditions of the S.O. Bonds" (pages 78-105 inclusive) set out in the Base Prospectus dated 16 May 2018; and
- (4) the following sections from a previous base prospectus relating to the Programme which can be viewed online at <https://online.swedbank.se/ConditionsEarchive/download?bankid=1111&id=WEBDOC-PPE1341365>: the sections "Terms and Conditions of the Instruments" (pages 43-73 inclusive) and "Terms and Conditions of the S.O. Bonds" (pages 74-100 inclusive) set out in the Base Prospectus dated 30 November 2017.

Following the publication of this Base Prospectus, a supplement may be prepared by the Company and approved by the Central Bank of Ireland in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any information incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained, upon request and free of charge, from the registered office of the Company and from the specified office of the Fiscal Agent in London.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Any non-incorporated parts of a document referred to herein are either not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

The Company will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any

Instruments or S.O. Bonds, prepare a supplement to this Base Prospectus or publish a new prospectus for use in connection with any subsequent issue of Instruments or S.O. Bonds. The Company has undertaken to the Dealers in the Dealership Agreement that it will comply with Article 16 of the Prospectus Directive.

The table below sets out the relevant page references for the consolidated financial statements, the notes and the auditors' reports in the Company's financial statements for 2018 and 2017 as set out in the respective annual reports:

2018 Financial Statements		Page reference
1.	Consolidated Financial Statements and Notes	p.11-63
2.	Auditors' Report	p.65-68
2017 Financial Statements		Page reference
1.	Consolidated Financial Statements and Notes	p.12-51
2.	Auditors' Report	p.54-57

4. Terms and Conditions of the Instruments

The following are the Terms and Conditions of the Instruments which, when construed together with Part A of the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement in relation to any Instruments, will be applicable to each Series of Instruments:

The Instruments are issued in accordance with an amended and restated fiscal agency agreement (the "Fiscal Agency Agreement", which expression shall include any amendments or supplements thereto) dated 14 May 2019 and made between Swedbank Mortgage AB (publ) (the "Company"), Citibank, N.A., London Branch, in its capacities as fiscal agent (the "Fiscal Agent", which expression shall include any successor to Citibank, N.A., London Branch, in its capacity as such), as paying agent, as transfer agent and as exchange agent (the "Exchange Agent", which expression shall include any successor to Citibank, N.A., London Branch in its capacity as such), Citigroup Global Markets Europe AG as registrar (the "Registrar", which expression shall include any successor to Citigroup Global Markets Europe AG, in its capacity as such) and The Bank of New York Mellon SA/NV, Luxembourg Branch as paying agent (a "Paying Agent" and, together with the Fiscal Agent and any substitute or additional paying agents appointed in accordance with the Fiscal Agency Agreement, the "Paying Agents") and as transfer agent (a "Transfer Agent" and, together with the Fiscal Agent and any substitute or additional transfer agents appointed in accordance with the Fiscal Agency Agreement, the "Transfer Agents"). References herein to the Paying Agents and the Transfer Agents shall include any additional Paying Agent(s) and/or Transfer Agent(s) specified in the applicable Final Terms (as defined below) or, in the case of Exempt Instruments, the applicable Pricing Supplement.

A copy of each of the Fiscal Agency Agreement and the Deed of Covenant (as defined below) is available for inspection at the specified office of the Fiscal Agent and, in relation to a Tranche of Registered Instruments, the Registrar.

All persons from time to time entitled to the benefit of obligations under any Instruments shall be deemed to have notice of and to be bound by all of the provisions of the Fiscal Agency Agreement insofar as they relate to the Instruments.

References herein to "Exempt Instruments" are to Instruments for which no prospectus is required to be published under the Prospectus Directive. For the purposes of these Terms and Conditions of the Instruments, "Prospectus Directive" means Directive 2003/71/EC (as amended or superseded) and includes any relevant implementing measure in a relevant Member State of the European Economic Area (the "EEA").

The final terms of the Instruments (or the relevant provisions thereof) are set out in (i) in the case of Instruments other than Exempt Instruments, Part A of a final terms document (the "Final Terms") relating to the Instruments which completes these Terms and Conditions (the "Conditions") or (ii) in the case of Exempt Instruments, a pricing supplement (the "Pricing Supplement") which supplements, 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 Instruments. References to the "applicable Final Terms" are accordingly to Part A of the Final Terms (or the relevant provisions thereof) relating to the Instruments and, in the case of Exempt Instruments, references to the "applicable Pricing Supplement" are accordingly to Part A of the Pricing Supplement (or the relevant provisions thereof) relating to the Exempt Instruments.

Copies of the Final Terms will, in the case of Instruments admitted to trading on the regulated market of the Irish Stock Exchange plc, trading as Euronext Dublin ("Euronext Dublin"), be published on the website of the Central Bank of Ireland at <https://www.centralbank.ie/regulation/industry-market-sectors/securities-markets/prospectus-regulation/prospectuses> and on the website of Euronext Dublin at www.ise.ie. If the Instruments are to be admitted to trading on any other regulated market in the EEA, the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement, will be published in accordance with the rules and regulations of the relevant listing authority or stock exchange and otherwise in accordance with Article 14 of the Prospectus Directive. Copies of the Final Terms will also be available, upon request, free of charge, at the registered office of the Company and the specified office of the Fiscal Agent and, in relation to a Tranche of Registered Instruments, the Registrar, save that, if the Final Terms or, in the case of Exempt Instruments, the Pricing Supplement relates to Instruments which are neither admitted to trading on a regulated market in the EEA nor offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Directive (including Exempt Instruments), copies will only be obtainable by a Holder of, or an Accountholder (as defined in the Deed of Covenant) in respect of, such Instruments upon production of evidence satisfactory to the Company, the Fiscal Agent or, as the case may be, the Registrar, as to its holding of such Instruments and identity or being such Accountholder, as the case may be.

As used herein, "Tranche" means Instruments which are identical in all respects (including as to listing and admission to trading and save that a Tranche may comprise Instruments in more than one denomination) and "Series" means a Tranche of Instruments together with any further Tranche or Tranches of Instruments which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

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

For the purposes of these Conditions, references to "Instruments" are to Instruments of the same Series and shall, as the context may require, be deemed to include any Temporary Global Instrument, Permanent Global Instrument, Definitive Bearer Instrument, Restricted Registered Global Instrument, Unrestricted Registered Global Instrument or, as the case may be, Definitive Registered Instrument (each as defined below). References in the Conditions to Coupons (as defined below) are to Coupons relating to Instruments of the relevant Tranche and to "Holders" shall include holders of Coupons, as the context may require.

1. Form and Denomination

Form

1.01 The Instruments are issued in bearer form ("Bearer Instruments") or in registered form ("Registered Instruments") and, in the case of definitive Instruments, serially numbered, in the currency (the "Specified Currency" and the denomination(s) (the "Specified Denomination(s)") specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement. Instruments of one Specified Denomination may not be exchanged for Instruments of another Specified Denomination.

The Instruments may be Fixed Rate Instruments, Floating Rate Instruments or Zero Coupon Instruments 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 Instruments, the applicable Pricing Supplement.

Definitive Bearer Instruments are issued with Coupons attached unless they are Zero Coupon Instruments in which case references to Coupons and Coupon holders in the Conditions are not applicable.

Form of Bearer Instruments

1.02 Bearer Instruments will be represented upon issue by a temporary global Instrument (a "Temporary Global Instrument") in substantially the form (subject to amendment and completion) set out in the Fiscal Agency Agreement. On or after the date (the "Exchange Date") which is 40 days after the completion of the distribution of the Instruments of the relevant Tranche and provided certification as to the beneficial ownership thereof as required by United States Treasury Regulations section 1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) has been received, interests in the Temporary Global Instrument may be exchanged for either (as specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement):

- (i) interests in a permanent global Instrument (a "Permanent Global Instrument") representing the Instruments of that Tranche and in substantially the form (subject to amendment and completion) set out in the Fiscal Agency Agreement; or
- (ii) Bearer Instruments in definitive form ("Definitive Bearer Instruments") serially numbered and in substantially the form (subject to amendment and completion) set out in the Fiscal Agency Agreement.

1.03 In the case of Bearer Instruments, if any date on which a payment of interest is due on the Instruments of a Tranche occurs whilst any of the Instruments of that Tranche are represented by the Temporary Global Instrument, if such payment falls due before the Exchange Date, the related interest payment will be made on the Temporary Global Instrument upon and to the extent of delivery to or to the order of any of the Paying Agents outside the United States of a certificate or certificates of non-U.S. beneficial ownership issued by Euroclear Bank SA/NV ("Euroclear") or Clearstream Banking S.A. ("Clearstream, Luxembourg") and dated not earlier than the relevant interest payment date.

Payments of principal or interest (if any) on a Permanent Global Instrument will be made through Euroclear and/or Clearstream, Luxembourg without any requirement for certification. References 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 Instruments, the applicable Pricing Supplement.

1.04 In the case of Bearer Instruments, interests in the Permanent Global Instrument will be exchangeable, in whole but not in part, (free of charge to the Holder) for Definitive Bearer Instruments as indicated in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement either:

- (i) upon not less than 45 days written notice (expiring at least 30 days after the Exchange Date (as defined in the relevant Temporary Global Instrument)) being given to the Fiscal Agent by the bearer of the Permanent Global Instrument; or
- (ii) upon not less than 45 days written notice (expiring at least 30 days after the Exchange Date) being given to the Fiscal Agent by the bearer of the Permanent Global Instrument only upon the occurrence of any Exchange Event, or by the Company upon the occurrence of an Exchange Event described in (iii) below.

“Exchange Event” means (i) an Event of Default as specified in Condition 6 has occurred and is continuing, (ii) either of Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention to cease business permanently; or (iii) if the Company or any Paying Agent, by reason of any change in, or amendment to, Swedish law, is or will be required to make any deduction or withholding from any payment under the Instruments which would not be required if such Instruments were in definitive form.

1.05 Interest-bearing Definitive Bearer Instruments will, unless otherwise specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement, be security-printed and will have attached thereto at the time of their initial delivery coupons (“Coupons”) and, if indicated in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement, talons for further Coupons (“Talons”), presentation of which will be a prerequisite to the payment of interest in certain circumstances specified below. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Bearer Instruments in global form do not have Coupons or Talons attached on issue.

Form of Registered Instruments

1.06 Registered Instruments will be represented upon issue by Instruments in the following form:

- (i) Instruments initially sold within the United States in reliance on Rule 144A under the United States Securities Act of 1933, as amended (the “Securities Act”) will be represented by beneficial interests in a restricted registered global Instrument (a “Restricted Registered Global Instrument”) in substantially the form (subject to amendment and completion) set out in the Fiscal Agency Agreement, which will be deposited with a custodian for The Depository Trust Company (“DTC”) and registered in the name of Cede & Co. as nominee of DTC; and
- (ii) Instruments initially sold to persons other than U.S. persons in reliance on Regulation S under the Securities Act will be represented by beneficial interests in an unrestricted registered global Instrument (an “Unrestricted Registered Global Instrument”) in substantially the form (subject to amendment and completion) set out in the Fiscal Agency Agreement, which will be deposited either (i) with a custodian for DTC and registered in the name of Cede & Co. as nominee of DTC for the account of Euroclear and Clearstream, Luxembourg for the accounts of their respective participants, or (ii) with a common depository or a common safekeeper, as the case may be, for, and in respect of, interests held through Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of a common depository for Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement.

An interest in either the Restricted Registered Global Instrument or the Unrestricted Registered Global Instrument (each a “Registered Global Instrument”) may be exchanged for a definitive Registered Instrument (a “Definitive Registered Instrument”) in the limited circumstances set out in such Registered Global Instrument. A Definitive Registered Instrument may be exchanged for another Definitive Registered Instrument under certain circumstances described in the Fiscal Agency Agreement. In relation to any Tranche, prior to the expiry of the period that ends 40 days after the later of the date of issue of such Tranche and the completion of the distribution of such Tranche, beneficial interests in an Unrestricted Registered Global Instrument will only be exchangeable for interests in a Restricted Registered Global Instrument in accordance with the certification requirements described in the Fiscal Agency Agreement.

Registered Instruments will not be exchangeable for Bearer Instruments or *vice versa*.

The Depository Trust Company

1.07 Registered Instruments will, if so specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement, be the subject of an application by the Company to DTC for the acceptance of such Registered Instruments into DTC's book-entry settlement system. If such application is accepted, one or more Registered Instruments (each a "DTC Instrument") in denominations equivalent in aggregate to the aggregate principal amount of relevant Registered Instruments which are to be held in such system will be issued to DTC and registered in the name of Cede & Co., or such other person as may be nominated by DTC for the purpose as nominee for DTC. Thereafter, such registered nominee will be the holder of record and entitled to rights in respect of each DTC Instrument. Accordingly, each person having a beneficial interest in a DTC Instrument must rely on the procedures of the institutions having accounts with DTC to exercise any rights of such person. So long as Registered Instruments are traded through DTC's book-entry settlement system, ownership of a beneficial interest in the relevant DTC Instrument will (unless otherwise required by applicable law or regulatory requirement) be shown on, and transfers of such beneficial interest may be effected only through, records maintained by (a) DTC or its registered nominee (as to DTC-participant interests) or (b) institutions having accounts with DTC (including, without limitation, Euroclear and Clearstream, Luxembourg).

Surrender of Global Instruments in Exchange for Definitive Instruments

1.08 In order to exchange interests in a global Instrument for definitive Instruments, a Holder must surrender or, as the case may be, present the relevant Temporary Global Instrument or Permanent Global Instrument at the specified office of the Fiscal Agent or, as the case may be, present the relevant Registered Global Instrument at the specified office of the Registrar or its agent, together, in each case, with a request in writing specifying the principal amount of such Temporary Global Instrument or Permanent Global Instrument or, as the case may be, Registered Global Instrument, to be exchanged. Any such definitive Instruments shall be issued pursuant to the terms of the Fiscal Agency Agreement.

1.10 If default is made by the Company in the required delivery of definitive Instruments and such default is continuing at 6.00 p.m. (London time) on the thirtieth day after the Temporary Global Instrument or Permanent Global Instrument or Registered Global Instrument, as the case may be, first becomes exchangeable for definitive Instruments, such global Instrument will become void in accordance with its terms but without prejudice to the rights of the accountholders with Euroclear, Clearstream, Luxembourg and/or DTC, as the case may be, in relation thereto under a deed of covenant (the "Deed of Covenant", which expression shall include any amendments or supplements thereto) dated 13 May 2015 and executed and delivered by the Company in relation to the Instruments.

2. Title

2.01 Title to Bearer Instruments and Coupons passes by delivery. References herein to the "Holders" of Bearer Instruments or of Coupons are to the bearers of such Bearer Instruments or Coupons.

2.02 Title to Registered Instruments passes by registration in the register which is kept by the Registrar. References herein to the "Holders" of Registered Instruments are to the persons in whose names such Instruments are so registered.

2.03 The Holder of any Instrument or Coupon will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Holder.

Transfer of Registered Instruments in definitive form

2.04 Definitive Registered Instruments may, upon the terms and subject to the conditions set forth in the Fiscal Agency Agreement, be transferred in whole or in part only (in the authorised denominations set out in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement) upon the surrender of the Registered Instrument to be transferred for registration of the transfer of the Registered Instrument (or the relevant part thereof), together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or any Transfer Agent. A new Registered Instrument will be issued to the transferee and, in the case of a transfer of part only of a Registered Instrument, a new Registered Instrument in respect of the balance not transferred will be issued to the transferor.

2.05 Each new Registered Instrument to be issued upon the transfer of Registered Instruments in definitive form will, within three London Business Days (as defined in the Fiscal Agency Agreement) of the effective receipt of such form of transfer by the Registrar or the relevant Transfer Agent at its specified office, be available for delivery at the specified office of the Registrar or the relevant Transfer Agent. For these purposes, a form of transfer received by the Registrar or the Transfer Agent during the period of 15 London Business Days ending on the due date for any payment on the relevant Registered Instrument shall be deemed not to be effectively received until the day following the due date for such payment.

2.06 The issue of new Registered Instruments on transfer will be effected without charge by or on behalf of the Company or the Registrar, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Registrar may require in respect of) any tax or other governmental charges which may be imposed in relation thereto.

2.07 Upon the transfer, exchange or replacement of Restricted Registered Instruments of any Tranche bearing the private placement legend (the "Rule 144A Legend") set forth in the form of Restricted Registered Instrument set out in the Fiscal Agency Agreement, the Registrar shall deliver only Registered Instruments of such Tranche that also bear such legend unless either (i) such transfer, exchange or replacement occurs one year or more after the later of (1) the original issue date of Instruments of such Tranche or (2) the last date on which the Company or any affiliates (as defined below) of the Company as notified to the Registrar by the Company as provided in the following sentence, was the beneficial owner of such Instrument (or any predecessor of such Instrument) or (ii) there is delivered to the Registrar an opinion reasonably satisfactory to the Company of counsel experienced in giving opinions with respect to questions arising under the securities laws of the United States to the effect that neither such legend nor the restrictions on transfer set forth therein are required in order to maintain compliance with the provisions of such laws.

2.08 Transfers of beneficial interests in Registered Global Instruments will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Instrument will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Instruments in definitive form or for a beneficial interest in another Registered Global Instrument only in the authorised denominations set out in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement, and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Fiscal Agency Agreement. Transfers of a Registered Global Instrument registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Instrument, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

3. Status

The Instruments of each Tranche constitute unsubordinated and unsecured obligations of the Company and rank *pari passu* without any preference among themselves and at least *pari passu* with all other outstanding

unsubordinated and unsecured obligations of the Company, present and future, but, in the event of insolvency, only to the extent permitted by laws relating to creditors rights.

4. Interest

4A. Interest on Fixed Rate Instruments

Each Fixed Rate Instrument 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 the Instruments are in definitive form, except as provided in the applicable Final Terms or, in the case of Exempt Instruments, 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 Instruments, the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in the 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.

Except in the case of Instruments 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 Instruments, the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Instruments which are represented by a global Instrument, the aggregate outstanding nominal amount of the Fixed Rate Instruments represented by such global Instrument;
or
- (B) in the case of Fixed Rate Instruments 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 Instrument in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Instrument 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.

"Day Count Fraction" means, in respect of the calculation of an amount of interest in accordance with this Condition 4A:

- (i) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement:
 - (A) in the case of Instruments 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 (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement) that would occur in one calendar year; or

- (B) in the case of Instruments where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
- (aa) 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 that would occur in one calendar year; and
 - (bb) 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; and
- (ii) if “30/360” is specified in the applicable Final Terms or, in the case of Exempt Instruments, 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.

In the Conditions:

“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, one cent.

4B. Interest on Floating Rate Instruments

(i) Interest Payment Dates

Each Floating Rate Instrument 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) in each year specified in the applicable Final Terms or, in the case of Exempt Instruments, 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 Instruments, 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 Instruments, 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 the 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 Instruments, the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in 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:

- (aa) in any case where Specified Periods are specified in accordance with Condition 4B(i)(B) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) 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 (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (bb) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (cc) 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
- (dd) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, "Business Day" means:

- (1) 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 each Business Centre (other than TARGET2 System (as defined below)) specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement;
- (2) if TARGET2 System is specified as a Business Centre in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "TARGET2 System") is open; and
- (3) either (i) 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 (ii) in relation to any sum payable in Euro, a day on which the TARGET2 System is open.

(ii) Rate of Interest

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

(A) ISDA Determination for Floating Rate Instruments

Where ISDA Determination is specified in the applicable Final Terms or, in the case of Exempt Instruments, 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 Instruments, the applicable Pricing Supplement) the Margin (if any). For the purposes of this subparagraph (A), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Fiscal Agent under an interest rate swap transaction if the Fiscal 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 Instruments (the "ISDA Definitions") and under which:

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

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

Unless otherwise stated in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement, the Minimum Rate of Interest shall be deemed to be zero.

(B) Screen Rate Determination for Floating Rate Instruments

Where Screen Rate Determination is specified in the applicable Final Terms or, in the case of Exempt Instruments, 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:

- (I) the offered quotation; or
- (II) 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 on the Interest Determination Date in question plus or minus (as indicated in the applicable Final

Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement) the Margin (if any), all as determined by the Fiscal 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 Fiscal Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

For the purposes of these Conditions:

"Interest Determination Date" shall mean the date specified as such in the Final Terms or, in the case of Exempt Instruments, 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 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;
- (vii) if the Reference Rate is the Tokyo interbank offered rate ("TIBOR"), the second Tokyo business day prior to the start of each Interest Period; or
- (viii) if the Reference Rate is the Hong Kong interbank offered rate ("HIBOR"), the first day of each Interest Period.

"Reference Banks" shall mean, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, and, in each case of a determination of a Reference Rate that is not LIBOR or EURIBOR, the principal office in the Relevant Financial Centre of four major banks in the inter-bank market of the Relevant Financial Centre in each case selected by the Company on the advice of an investment bank of international repute.

"Reference Rate" shall mean (i) LIBOR; (ii) EURIBOR; (iii) STIBOR; (iv) NIBOR; (v) CIBOR; (vi) TIBOR; or (vii) HIBOR, in each case for the relevant period, as specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement, or, in the case of Exempt Instruments only, such other Reference Rate as shall be specified in the applicable Pricing Supplement.

"Relevant Financial Centre" shall mean (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; (vi) Tokyo, in the case of a determination of TIBOR; or (vii) Hong Kong, in the case of a determination of HIBOR, as specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement, or, in the case of Exempt Instruments only, such other Relevant Financial Centre as shall be specified in the applicable Pricing Supplement.

"Relevant Screen Page" has the meaning specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement and includes such successor or replacement page on the relevant service which displays the relevant information.

"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.; (vi) in the case of TIBOR, 11.00 a.m.; or (vii) in the case of HIBOR, 11.00 a.m., in each case in the Relevant Financial Centre, or, in the case of Exempt Instruments, such other time as shall be specified in the applicable Pricing Supplement.

If the Relevant Screen Page is not available or if, in the case of Condition 4(b)(ii)(B)(I), no offered quotation appears or, in the case of Condition 4 (b)(ii)(B)(II), fewer than three offered quotations appear, in each case as at the Relevant Time, the Fiscal Agent or the Calculation Agent, as the case may be, shall request each of the Reference Banks to provide the Fiscal Agent or the Calculation Agent, as the case may be, with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Fiscal Agent or the Calculation Agent, as the case may be, with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Fiscal Agent or the Calculation Agent, as the case may be.

If on any Interest Determination Date one only or none of the Reference Banks provides the Fiscal Agent or the Calculation Agent, as the case may be, with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Fiscal Agent or the Calculation Agent, as the case may be, 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 Fiscal Agent or the Calculation Agent, as the case may be, by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Relevant Time 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 interbank market (if the Reference Rate is LIBOR) or the Eurozone interbank market (if the Reference Rate is EURIBOR) or the interbank 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 Fiscal Agent or the Calculation Agent, as the case may be, with 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 on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Company suitable for the purpose) informs the Fiscal Agent or the Calculation Agent, as the case may be, it is quoting to leading banks in the London interbank market (if the Reference Rate is LIBOR) or the Eurozone interbank market (if the Reference Rate is EURIBOR) or the interbank 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).

Unless otherwise stated in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement, the Minimum Rate of Interest shall be deemed to be zero.

(C) Benchmark Discontinuation

This Condition 4B(ii)(C) applies only if “Benchmark Discontinuation” is specified to be applicable in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement and where Screen Rate Determination is specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined.

- (a) If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Company shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Company determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4B(ii)(C)(b)(ii)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 4B(ii)(C)(c)) and/or any Benchmark Amendments (in accordance with Condition 4B(ii)(C)(d)).

An Independent Adviser appointed pursuant to this Condition 4B(ii)(C) shall act in good faith and (in the absence of fraud) shall have no liability whatsoever to the Company, the Fiscal Agent, the Paying Agents or the Holders for any determination made by it or for any advice given to the Company in connection with any determination made by the Company, pursuant to this Condition 4B(ii)(C).

- (b) If the Company, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:
- (i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4B(ii)(C)(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Instruments (subject to the operation of this Condition 4B(ii)(C)); or

- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4B(ii)(C)(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Instruments (subject to the operation of this Condition 4B(ii)(C)).
- (c) If the Company, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).
- (d) If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4B(ii)(C) and the Company, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "Benchmark Amendments") and (ii) the terms of the Benchmark Amendments, then the Company shall, subject to giving notice thereof in accordance with Condition 4B(ii)(C)(e), without any requirement for the consent or approval of Holders, vary these Conditions and/or the Fiscal Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 4B(ii)(C)(d), the Company shall comply with the rules of any stock exchange on which the Instruments are for the time being listed or admitted to trading.

- (e) If the Company is unable to appoint an Independent Adviser in accordance with this Condition 4(b)(ii)(C), the Company, acting in good faith and in a commercially reasonable manner, may still determine (i) a Successor Rate or Alternative Rate and (ii) in either case, an Adjustment Spread and/or any Benchmark Amendments in accordance with this Condition 4(b)(ii)(C) (with the relevant provisions in this Condition 4(b)(ii)(C) applying *mutatis mutandis* to allow such determinations to be made by the Company without consultation with an Independent Adviser).

Where this Condition 4(b)(ii)(C)(e) applies, without prejudice to the definitions thereof, for the purposes of determining any Successor Rate, Alternative Rate, Adjustment Spread and/or Benchmark Amendments (as the case may be), the Company will take into account any relevant and applicable market precedents and customary market usage as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets.

- (f) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(b)(ii)(C) will be notified promptly by the Company to the Fiscal Agent, the Paying Agents and, in accordance with Condition 13, the Holders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Fiscal Agent of the same, the Company shall deliver to the Fiscal Agent a certificate signed by two duly authorised signatories of the Company:

- (A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate and, (iii) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4B(ii)(C); and
- (B) certifying that the Benchmark Amendments (if applicable) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and/or the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error) be binding on the Company, the Fiscal Agent, the Paying Agents and the Holders.

- (g) Without prejudice to the obligations of the Company under Condition 4B(ii)(C), the Original Reference Rate and the fallback provisions provided for in Condition 4B(ii)(B) will continue to apply unless and until either a Successor Rate or an Alternative Rate (and any associated Adjustment Spread and/or Benchmark Amendments) is determined pursuant to this Condition 4B(ii)(C).

In such circumstances, the Company will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of Condition 4B(ii)(C), *mutatis mutandis*, on one or more occasions until a Successor Rate or Alternative Rate (and, if applicable, any associated Adjustment Spread and/or Benchmark Amendments) has been determined and notified (and, until such determination and notification (if any), the fallback provisions provided for in Condition 4B(ii)(B) will continue to apply).

- (h) As used in this Condition 4B(ii)(C):

“Adjustment Spread” means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate),
- (ii) the Company determines, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Company determines that no such spread is customarily applied),
- (iii) the Company determines, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

“Alternative Rate” means an alternative benchmark or screen rate which the Company determines in accordance with Condition 4B(ii)(C)(b)(ii) has replaced the Original Reference

Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Instruments.

“Benchmark Amendments” has the meaning given to it in Condition 4B(ii)(C)(d).

“Benchmark Event” means:

- (1) the Original Reference Rate ceasing to be published for a period of at least five consecutive Business Days or ceasing to exist; or
- (2) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (3) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (4) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences; or
- (5) an official announcement by the supervisor of the administrator of the Original Reference Rate, with effect from a date after 31 December 2021, that the Original Reference Rate is no longer representative of its relevant underlying market; or
- (6) it has become unlawful for Fiscal Agent, any Paying Agent, the Company or any other party to calculate any payments due to be made to any Holder using the Original Reference Rate,

provided that in the case of sub-paragraphs (2), (3) and (4), the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be, and not the date of the relevant public statement.

“Independent Adviser” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Company under Condition 4B(ii)(C)(a).

“Original Reference Rate” means:

- (i) the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the Instruments; or
- (ii) any Successor Rate or Alternative Rate which has been determined in relation to such benchmark or screen rate (as applicable) pursuant to the operation of Condition 4B(ii)(C).

“Relevant Nominating Body” means, in respect of an Original Reference Rate:

- (i) the central bank for the currency to which such Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of such Original Reference Rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which such Original Reference Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of such Original Reference Rate, (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

“Successor Rate” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

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

If the applicable Final Terms specify or, in the case of Exempt Instruments, 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 specify or, in the case of Exempt Instruments, 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 Fiscal 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 Fiscal Agent will calculate the amount of interest (the “Interest Amount”) payable on the Floating Rate Instruments for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Instruments which are represented by a global Instrument, the aggregate outstanding nominal amount of the Instruments represented by such global Instrument; or
- (B) in the case of Floating Rate Instruments 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 Instrument in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Instrument 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.

“Day Count Fraction” means, unless otherwise specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement, in respect of the calculation of an amount of interest in accordance with this Condition 4B:

- (A) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms or, in the case of Exempt Instruments, 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 (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (B) if “Actual/365 (Fixed)” is specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (C) if “Actual/365 (Sterling)” is specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement, the actual 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;
- (D) if “Actual/360” is specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (E) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms or, in the case of Exempt Instruments, 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;

- (F) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms or, in the case of Exempt Instruments, 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; and

- (G) “30E/360 (ISDA)” is specified in the applicable Final Terms or, in the case of Exempt Instruments, 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.

(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 Instruments, the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation 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 Instruments, 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 Instruments, 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 Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

For the purposes of this Condition 4B(v), "Designated Maturity" means, (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate and (b) in relation to ISDA Determination, the Designated Maturity, as referred to in Condition 4B(ii)(A).

(vi) Notification of Rate of Interest and Interest Amounts

The Fiscal 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 Company, the Registrar (in the case of Registered Instruments) and any stock exchange on which the relevant Floating Rate Instruments are for the time being listed and notice thereof to be published in accordance with Condition 13 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 on which the relevant Floating Rate Instruments are for the time being listed and to the Holders of the Instruments in accordance with Condition 13. 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) 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 Condition 4B by the Fiscal Agent shall (in the absence of wilful default, bad faith, manifest error and proven error) be binding on the Company, the Fiscal Agent, the Registrar (in the case of Registered Instruments), the other Paying Agents and all Holders of the Instruments and (in the absence of wilful default and bad faith) no liability to the Company or the Holders shall attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(viii) Calculation Agent

If the applicable Final Terms specify or, in the case of Exempt Instruments, the applicable Pricing Supplement specifies that a Calculation Agent will be appointed in place of the Fiscal Agent for the purposes of calculating the Rate(s) of Interest and Interest Amount(s) as aforesaid, references in this Condition 4B to the Fiscal Agent shall, unless the context otherwise requires, be construed as references to such Calculation Agent.

4C. Accrual of Interest

Each Instrument (or in the case of the redemption of part only of an Instrument, that part only of such Instrument) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue thereon (as well after as before any demand or judgment) at the rate then applicable to the principal amount of the Instruments or such other rate as may be specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement, until the date on which, upon (except in the case of any payment where presentation and/or surrender of the relevant Instrument is not required as a precondition of payment) due presentation of the relevant Instrument, the relevant payment is made or, if earlier (except in the case of any payment where presentation and/or surrender of the relevant Instrument is not required as a precondition of payment), the seventh day after the date on which, the Fiscal Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders in accordance with Condition 13 of that circumstance (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

5. Redemption and Purchase

Redemption at Maturity

5.01 Unless previously redeemed or purchased and cancelled as specified below, each Instrument will be redeemed by the Company at its Final Redemption Amount specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date.

Early Redemption for Taxation Reasons

5.02 If, in relation to any Series of Instruments, (i) as a result of any change in the laws or regulations of Sweden or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the official interpretation or administration of any such laws or regulations which becomes effective on or after the date of issue of the first Tranche of such Instruments or any earlier date specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement on the occasion of the next payment due in respect of such Instruments the Company would be required to pay additional amounts as provided in Condition 7 and (ii) such circumstances are evidenced by the delivery by the Company to the Fiscal Agent of a certificate signed by two duly authorised officers of the Company stating that the said circumstances prevail and describing the facts leading thereto and an opinion of independent legal advisers of recognised standing to the effect that such circumstances prevail, the Company may, at its option, having given not less than 30 nor more than 60 days' notice (ending, in the case of Floating Rate Instruments, on an Interest Payment Date) to the Holders in accordance with Condition 13 (which notice shall be irrevocable) redeem all (but not some only) of the outstanding Instruments comprising the relevant Series at their Early Redemption Amount referred to in Condition 5.05 below, together with accrued interest (if any) thereon provided, however, (and except in the case of Floating Rate Instruments) that no such notice of redemption may be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional amounts were a payment in respect of the Instruments then due.

Redemption at the Option of the Company (Company Call)

5.03 If Company Call is specified as being applicable in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement, the Company may, having given:

- (i) not less than 15 nor more than 30 days' notice (or such other notice period as may be specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement) to the Holders in accordance with Condition 13; and
- (ii) not less than 15 days before the giving of the notice referred to in (i) above, notice to the Fiscal Agent and the Registrar (in the case of Registered Instruments);

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Instruments then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement, together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement.

In the case of a partial redemption of Instruments, the Instruments to be redeemed ("Redeemed Instruments") will be selected individually by lot, in the case of Redeemed Instruments represented by definitive Instruments, and 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) and/or DTC and/or SIS, as the case may be, in the case of Redeemed Instruments represented by a global Instrument, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date"). In the case of Redeemed Instruments represented by definitive Instruments, a list of the serial numbers of such Redeemed Instruments will be published in accordance with Condition 13 not less than 15 days (or such other notice period as may be specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement) prior to the date fixed for redemption. No exchange of the relevant global Instrument will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 5.03 and notice to that effect shall be given by the Company to the Holders in accordance with Condition 13 at least five days prior to the Selection Date.

Redemption at the option of the Holders (Investor Put)

5.04 If Investor Put is specified as being applicable in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement, upon the Holder of any Instrument giving to the Company in accordance with Condition 13 not less than 45 nor more than 60 days' notice (or such other notice period as may be specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement) the Company will, upon the expiry of such notice, redeem such Instrument on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

If the Instrument is in definitive form and held outside Euroclear, Clearstream, Luxembourg, DTC or SIS, to exercise the right to require redemption of the Instrument the Holder must deliver such Instrument at the specified office of any Paying Agent, in the case of Bearer Instruments, or the Registrar in the case of Registered Instruments at any time during normal business hours of such Paying Agent or the Registrar falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or the Registrar (a "Put Notice") and in which the Holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition.

If the Instrument is represented by a global Instrument or is an Instrument in definitive form and held through Euroclear, Clearstream, Luxembourg, DTC or SIS, to exercise the right to require redemption of the Instrument the Holder thereof must, within the notice period, give notice to the Fiscal Agent or the Registrar of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg, DTC or SIS (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depository or common safekeeper, as the case may be, for them to the Fiscal Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg, DTC or SIS, as the case may be, from time to time and, if the Instrument is represented by (i) a global Instrument in bearer form which has not been issued in New Global Instrument form, as specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement, at the same time present or procure the presentation of the relevant global Instrument to the Fiscal Agent for notation accordingly or (ii) a global Instrument in bearer form which has been issued in New Global Instrument form, as specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement, instruct Euroclear or Clearstream, Luxembourg to make appropriate entries in their records.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg, DTC or SIS given by a Holder of any Instrument pursuant to this Condition 5.04 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing in which event such Holder, at its option, may elect by notice to the Company to withdraw the notice given pursuant to this Condition 5.04.

Early Redemption Amounts

5.05 For the purpose of Condition 5.02 above and Condition 6:

- (i) each Instrument (other than a Zero Coupon Instrument) will be redeemed at its Early Redemption Amount (as specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement); and
- (ii) each Zero Coupon Instrument will be redeemed at an amount (the "Amortised Face 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 Instruments, 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 Instruments to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Instrument 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 Instruments to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Instrument 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 Instruments to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Instrument becomes due and repayable and the denominator will be 365).

Purchase of Instruments

5.06 Subject to Condition 2.07, the Company or any Subsidiary (as defined in the Fiscal Agency Agreement) of the Company may at any time purchase Instruments in the open market or otherwise and at any price.

Cancellation of Redeemed and Purchased Instruments

5.07 All unmatured Instruments redeemed or purchased in accordance with this Condition 5 (provided, in the case of definitive Instruments that all unmatured Coupons and Talons relating thereto are attached or surrendered therewith) will be cancelled and may not be reissued or resold. References in this Condition 5 to the purchase of Instruments by the Company or any Subsidiary of the Company shall not include the purchase of Instruments in the ordinary course of business of dealing in securities or the purchase of Instruments otherwise than as beneficial owner.

Late Payment on Zero Coupon Instruments

5.08 If the amount payable in respect of any Zero Coupon Instrument upon redemption of such Zero Coupon Instrument pursuant to Condition 5.01, 5.02, 5.03, or 5.04 above or upon its becoming due and repayable as provided in Condition 6 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Instrument shall be the amount calculated as provided in Condition 5.05(ii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Instrument becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Instrument have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Instruments has been received by the Fiscal Agent or the Registrar and notice to that effect has been given to the Holders in accordance with Condition 13.

6. Events of Default

6.01 The following events or circumstances (each an "Event of Default") shall be events of default in relation to the Instruments of any Series, namely:

- (a) there is default for more than 15 days in the payment of any principal or redemption amount due in respect of the Instruments or any of them or for more than 30 days in the payment of any interest due in respect of the Instrument or of any of them; or
- (b) there is default in the performance or observance by the Company of any other obligation under the Fiscal Agency Agreement or the Instruments and such default continues for 30 days after written notice thereof shall have been given to the Company by the relevant Holder requiring the same to be remedied; or
- (c) any indebtedness for borrowed money of the Company or any Material Subsidiary, other than the Instruments, shall become prematurely repayable as a result of a default in respect of the terms thereof, or the Company or any Material Subsidiary defaults in the repayment of any indebtedness for borrowed money at the maturity thereof or at the expiration of any applicable grace period

therefor (or, in the case of indebtedness for borrowed money due on demand, defaults in the payment thereof on demand or at the expiration of any applicable grace period) or any guarantee or indemnity in respect of any indebtedness for borrowed money of others given by the Company or any Material Subsidiary shall not be honoured when due and called upon (except where the liability of the Company or the Material Subsidiary concerned to make payment under such guarantee or indemnity is being contested in good faith), provided that no such event as aforesaid shall constitute an event of default unless the indebtedness for borrowed money relative thereto either alone or when aggregated with the indebtedness for borrowed money relative to any such event which shall have occurred during the 100 day period immediately prior thereto shall amount to at least €14,000,000 (or its equivalent in any other currency or currencies); or

- (d) an order is made or an effective resolution is passed for winding up the Company or any Material Subsidiary or for the appointment of a liquidator thereof or the Company or any Material Subsidiary ceases or threatens to cease to carry on the whole or substantially the whole of its business (except in each case for the purposes of a merger, or following a reorganisation or amalgamation, the terms of any of which have been previously approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of the Holders) unless:
 - (i) in the case of the Company, the whole or substantially the whole of the business and assets of the Company are vested in a legal entity which is formed under Swedish law, is authorised to carry on the business of a bank or credit market company in Sweden and assumes all of the obligations of the Company under the Instruments and the Fiscal Agency Agreement as if named as the Company therein; or
 - (ii) in the case of a Material Subsidiary, the whole or substantially the whole of the business and assets of that Material Subsidiary are vested in the Company or a Subsidiary or Subsidiaries of the Company; or
- (e) the Company or a Material Subsidiary stops payment or an encumbrancer takes possession or a receiver is appointed of the whole or any substantial part of the undertaking or assets of the Company or any Material Subsidiary, or a distress or execution is levied or enforced upon or sued out against any substantial part of the undertaking or assets of the Company or any Material Subsidiary and is not discharged within seven days, or any order is made (which is not stayed or dismissed within 60 days) or an effective resolution is passed by the Company or any Material Subsidiary applying for or granting a suspension of payments or appointing a receiver or trustee of the Company or any Material Subsidiary or of a substantial part of its undertaking or assets. For the purposes of this paragraph (e), a part of the undertaking or assets of the Company or any Material Subsidiary shall be deemed to be substantial if the value thereof amounts to 10 per cent or more of the gross assets of the Company and its Subsidiaries (the "Company Group") determined by reference to the latest available audited consolidated balance sheet of the Company.

"Subsidiary" means any company or other entity whose accounts are for the time being or, in the case of a company or other entity acquired after the date of the Company's most recent accounts, will be consolidated with those of the Company for the purposes of the consolidated accounts of the Company issued to shareholders of the Company.

"Material Subsidiary" means at any time a Subsidiary (i) the gross assets of which (or, where the interest in the share capital of such Subsidiary is less than 100 per cent a proportion thereof equal to the proportion of the share capital owned, directly or indirectly, by the Company) represent more than 20 per cent of the consolidated gross assets of the Company Group (taken as a whole) or (ii) the operating profit (before taxes and appropriations) of which (or, where the interest in the share capital of such Subsidiary is less than 100 per cent a proportion thereof equal to the proportion of the share capital owned, directly or indirectly, by the

Company) represents more than 20 per cent of the total operating profit (before taxes and appropriations) of the Company Group (taken as a whole).

6.02 If any Event of Default shall occur in relation to any Series of Instruments, any Holder of any Instrument of the relevant Series may by written notice to the Company delivered to the Fiscal Agent declare such Instrument and (if the Instrument is interest bearing) all interest then accrued on such Instrument to be forthwith due and payable, whereupon the same shall become immediately due and payable at its Early Redemption Amount without presentment, demand, protest or other notice of any kind, all of which the Company will expressly waive, anything contained in such Instruments to the contrary notwithstanding, unless prior to the time when the Fiscal Agent receives such notice all Events of Default in respect of the Instruments shall have been cured.

7. Taxation

7.01 All amounts payable (whether in respect of principal, redemption amount, interest or otherwise) in respect of the Instruments or Coupons by or on behalf of the Company will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Sweden or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Company will pay such additional amounts as may be necessary in order that the net amounts received by any Holder after such withholding or deduction shall equal the respective amounts which would have been receivable by such Holder in the absence of such withholding or deduction; except that no such additional amounts shall be payable in respect of payment in respect of any Bearer Instrument or Coupon presented for payment:

- (i) by, or to a third party on behalf of, a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bearer Instrument or Coupon by reason of his having some connection with Sweden other than the mere holding of such Bearer Instrument or Coupon; or
- (ii) by, or by a third party on behalf of, a Holder who is able to avoid such withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (iii) more than 30 days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of 30 days; or
- (iv) in Sweden,

and except that no such additional amounts shall be payable in respect of payment in respect of any Registered Instrument in definitive form the Holder of which is liable to such taxes, duties, assessments or governmental charges by reason of his having some connection with Sweden other than the mere holding of such Registered Instrument or who is able to avoid such withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority.

7.02 For the purposes of this Condition 7, the "Relevant Date" means the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Fiscal Agent on or prior to such due date, it means the first date on which the full amount of such moneys has been so received and notice to that effect shall have been duly given to the Holders of the Instruments of the relevant Series in accordance with Condition 13.

7.03 Any reference in the Conditions to principal, redemption amount and/or interest in respect of the Instruments shall be deemed also to refer to any additional amounts which may be payable under this Condition 7 or any undertaking given in addition thereto or in substitution therefor.

7.04 If payments of interest or principal on the Instruments by the Company become generally subject at any time to any taxing jurisdiction other than or in addition to the Kingdom of Sweden, references herein to the Kingdom of Sweden shall be read and construed as references to the Kingdom of Sweden and / or to such other jurisdiction.

8. Payments

8A. 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 7 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 (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

8B. Presentation of Definitive Bearer Instruments and Coupons

Payments of principal in respect of Definitive Bearer Instruments will (subject as provided below) be made in the manner provided in Condition 8A above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer Instruments, and payments of interest in respect of Definitive Bearer Instruments will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Except as provided below, all payments of interest and principal with respect to Bearer Instruments will be made at such paying agencies outside the United States as the Company may appoint from time to time and to accounts outside the United States.

Fixed Rate Instruments in definitive bearer form (other than Long Maturity Instruments (as defined below)) should be presented for payment together with all unmatured Coupons 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 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 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) 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 Instrument in definitive bearer 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 the date on which any Floating Rate Instrument or Long Maturity Instrument in definitive bearer form becomes due and repayable, 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 Instrument" is a Fixed Rate Instrument (other than a Fixed Rate Instrument which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Instrument shall cease to be a Long Maturity Instrument 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 Instrument.

If the due date for redemption of any Definitive Bearer Instrument is not an Interest Payment Date, interest (if any) accrued in respect of such Definitive Bearer Instrument 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 Bearer Instrument.

8C. Payments in Respect of Bearer Instruments in Global Form

Payments of principal and interest (if any) in respect of Instruments represented by any bearer global Instrument will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer Instruments or otherwise in the manner specified in the relevant bearer global Instrument, where applicable, against presentation or surrender, as the case may be, of such bearer global Instrument at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such bearer global Instrument either by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

8D. Payments in Respect of Registered Instruments

Payments of principal in respect of Registered Instruments (whether or not in global form) will be made in the manner provided in Condition 8A above to the persons in whose name such Instruments are registered at the close of business on the business day (being for this purpose a day on which banks are open for business in the city where the Registrar is located) immediately prior to the relevant payment date against presentation and surrender (or, in the case of part payment of any sum due only, endorsement) of such Instruments at the specified office of the Registrar.

Payments of interest due on a Registered Instrument (whether or not in global form) will be made in the manner specified in Condition 8A to the persons in whose name such Instruments are registered (i) where in global form, at the close of business on the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) prior to such due date and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) (the "Record Date")) prior to such due date. In the case of payments by cheque,

cheques will be mailed to the Holder (or the first named of joint Holders) at such Holder's registered address on the business day (as described above) immediately preceding the due date.

If payment in respect of any Registered Instruments is required by credit or transfer as referred to in Condition 8A above, application for such payment must be made by the Holder to the Registrar not later than the relevant Record Date.

8E. General Provisions Applicable to Payments

The Holder of a global Instrument shall be the only person entitled to receive payments in respect of Instruments represented by such global Instrument and the Company will be discharged by payment to, or to the order of, the Holder of such global Instrument in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Instruments represented by such global Instrument must look solely to Euroclear or Clearstream, Luxembourg or DTC, as the case may be, for his share of each payment so made by the Company to, or to the order of, the Holder of such global Instrument.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Instruments is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Bearer Instruments will be made at the specified office of a Paying Agent in the United States if:

- (i) the Company 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 in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Instruments in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Company, adverse tax consequences to the Company.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Instrument in respect of Instruments denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar (or the Fiscal Agent acting on the Registrar's behalf) to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Fiscal Agency Agreement.

8F. Payment Day

If the date for payment of any amount in respect of any Instrument 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, "Payment Day" means any day which (subject to Condition 9) 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 Instruments in definitive form only, the relevant place of presentation;

- (B) each Financial Centre specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement; and
 - (C) if TARGET2 System is specified as a Financial Centre in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement, a day on which the TARGET2 System is open; and
- (ii) either (I) 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 (II) in relation to any sum payable in Euro, a day on which the TARGET2 System is open.

8G. Interpretation of Principal and Interest

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

- (i) any additional amounts which may be payable with respect to principal under Condition 7;
- (ii) the Final Redemption Amount of the Instruments;
- (iii) the Early Redemption Amount of the Instruments;
- (iv) the Optional Redemption Amount(s) (if any) of the Instruments;
- (v) in relation to Zero Coupon Instruments, the Amortised Face Amount (as defined in Condition 5.05); and
- (vi) any premium and any other amounts (other than interest) which may be payable by the Company under or in respect of the Instruments.

Any reference in the Conditions to interest in respect of the Instruments shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

9. Prescription

9.01 The Instruments (whether in bearer or registered form) and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the due date for payment.

9.02 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 or Condition 8B or any Talon which would be void pursuant to Condition 8B.

10. The Paying Agents, Transfer Agents, Exchange Agent and the Registrar

The initial Paying Agents, Transfer Agents, Exchange Agent and Registrar and their respective initial specified offices are specified below. If any additional Paying Agents are appointed in connection with any Series of Instruments, the names of such Paying Agents will be specified in Part B of the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement. The Company reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Fiscal Agent),

Transfer Agent, Exchange Agent or Registrar and to appoint additional or other Paying Agents, Transfer Agents, Exchange Agents or Registrars *provided that* it will at all times maintain (i) a Fiscal Agent, (ii) a Registrar (in the case of a Series of Registered Instruments) which, if the Registrar originally appointed in respect of such Series had its specified office outside the United Kingdom, shall also have a specified office outside the United Kingdom other than Sweden, (iii) a Paying Agent with a specified office in continental Europe (but outside the United Kingdom) other than Sweden, (iv) if and so long as any Instruments are admitted to listing, trading and/or quotation by any listing authority, stock exchange, regulated market and/or quotation system which requires the appointment of a Paying Agent, a Transfer Agent or a Registrar in any particular place, a Paying Agent or (in the case of Registered Instruments) a Transfer Agent or Registrar having its specified office in the place required by such listing authority, stock exchange, regulated market and/or quotation system, and (v) so long as any of the Registered Global Instruments payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, an Exchange Agent.

In addition, the Company shall forthwith appoint a Paying Agent having a Specified Office in New York City in the circumstances described in Condition 8E.

The Paying Agents, the Transfer Agents, the Exchange Agent and the Registrar reserve the right at any time to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of the Paying Agents, the Transfer Agents, the Exchange Agent or the Registrar will be made promptly to the Holders.

11. Replacement of Instruments and Coupons

If any Instrument or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent (in the case of Bearer Instruments) or of the Registrar (in the case of Registered Instruments) (and if the Instruments are then admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its specified office in the place required by such listing authority, stock exchange and/or quotation system), subject to all applicable laws and listing authority, stock exchange and/or quotation system requirements, upon payment by the claimant of all expenses incurred in such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Company and the Fiscal Agent or, as the case may be, the Registrar may require. Mutilated or defaced Instruments and Coupons must be surrendered before replacements will be delivered therefor.

12. Meetings of Holders; Modification

12.01 The Fiscal Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of the Holders of Instruments of any Series to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of any Instruments, any Coupons, any of the Conditions or the Deed of Covenant and the approval of the terms of a merger, reconstruction or amalgamation by Extraordinary Resolution for the purposes of Condition 6.01(d). An Extraordinary Resolution (i) passed at any meeting of the Holders of Instruments of any Series or (ii) passed by way of electronic consents given by Holders through the relevant clearing system(s) shall be binding on all Holders of such Series, whether or not they are present at any meeting and whether or not they had voted on the resolution and on all Coupon holders (if any).

12.02 The Fiscal Agent may, together with the other parties to the Fiscal Agency Agreement, agree, without the consent of the Holders of the Instruments or Coupons or any of the Accountholders (as defined in the Deed of Covenant), to any modification of the Fiscal Agency Agreement or of any Instruments or Coupons or of the Deed of Covenant which, in the opinion of the Company (following the advice of an independent financial institution of international standing), is not materially prejudicial to the interests of the Holders of such Instruments or Coupons or the Accountholders under the Deed of Covenant or which is, in

the opinion of the Company, of a formal, minor or technical nature or to any modification which is necessary to correct a manifest or proven error.

13. Notices

To Holders of Bearer Instruments

13.01 Notices to Holders of Bearer Instruments will be deemed to be validly given if published in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*) or, if such publication is not practicable, if published in a leading English-language newspaper having general circulation in Europe or, in the case of a Temporary Global Instrument or Permanent Global Instrument, if delivered to Euroclear and Clearstream, Luxembourg for communication by them to the persons shown in their respective records as having interests therein. Provided that, in the case of Instruments listed on a stock exchange or admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules or by such other means as required by the relevant stock exchange or relevant authority. Any notice so given will be deemed to have been validly given on the date of first such publication (or, if published more than once, on the date of first such publication) or, as the case may be, on the date of such delivery.

To Holders of Registered Instruments

13.02 In the case of any Registered Instruments represented by a global Instrument, notices shall be deemed to be validly given if delivered to Euroclear, Clearstream, Luxembourg and/or DTC for communication by them to the persons shown in their respective records as having interests therein. Any notice so given will be deemed to have been validly given on the date of such delivery.

13.03 Notices to Holders of Registered Instruments will be deemed to be validly given if sent by first class mail to them (or, in the case of joint Holders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the fourth Business Day after the date of such mailing and, in addition, for so long as any Registered Instruments are listed on a stock exchange or admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules or by such other means as required by the relevant stock exchange or relevant authority.

To the Company

13.04 Notices to the Company will be deemed to be validly given if delivered to the Company at its official address registered with the Swedish Companies Office from time to time, for the attention of the Head of Group Treasury, and will be deemed to have been validly given at the opening of business on the next day on which the Company's principal office is open for business.

14. Further Issues

The Company may from time to time without the consent of the Holders of any Instruments of any Series create and issue further notes, bonds or debentures having the same terms and conditions as the Instruments of such Series in all respects (or in all respects except for the issue date, issue price, the first payment of interest, if any, on them and the date from which interest starts to accrue) and so that the same shall be consolidated and form a single series with the Instruments of such Series.

15. Governing Law, Jurisdiction and Swedish Statutory Loss Absorption Powers

15.01 The Instruments, the Fiscal Agency Agreement and the Deed of Covenant, all matters arising from or connected with them and any non-contractual obligations arising out of or in connection therewith are governed by, and shall be construed in accordance with, English law.

15.02 The Company irrevocably agrees for the benefit of the Holders of the Instruments that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Instruments (respectively, "Proceedings" and "Disputes") (including any Proceedings or Disputes relating to non-contractual obligations arising out of or in connection therewith) and, for such purposes, irrevocably submits to the jurisdiction of such courts. The Company irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and agrees not to claim that any such court is not a convenient or appropriate forum. The Company agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to Business Sweden, The Swedish Trade & Invest Council at its office at 6th Floor, Winchester House, 5 Upper Montagu Street, London, W1H 2AG, United Kingdom. If Business Sweden, The Swedish Trade & Invest Council ceases to have an office in England, the Company shall forthwith appoint another person in England to accept service of process on its behalf in England and notify the name and address of such person to the Fiscal Agent. Nothing contained herein shall affect the right to serve process in any other manner permitted by law. The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of the Holders of the Instruments or any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law.

15.03 Notwithstanding and to the exclusion of any other term of the Instruments or any other agreements, arrangements or understanding between the Company and any Holder (which, for the purposes of this Condition 15.03, includes each holder of a beneficial interest in the Instruments), by its acquisition of the Instruments, each Holder acknowledges and accepts that any liability arising under the Instruments may be subject to the exercise of Swedish Statutory Loss Absorption Powers by the Relevant Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:

- (i) the effect of the exercise of any Swedish Statutory Loss Absorption Powers by the Relevant Resolution Authority, which exercise (without limitation) may include and result in any of the following, or a combination thereof:
 - (I) the reduction of all, or a portion, of the Relevant Amounts in respect of the Instruments;
 - (II) the conversion of all, or a portion, of the Relevant Amounts in respect of the Instruments into shares, other securities or other obligations of the Company or another person, and the issue to or conferral on the Holder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Instruments;
 - (III) the cancellation of the Instruments or the Relevant Amounts in respect of the Instruments; and
 - (IV) the amendment of the amount of interest payable on the Instruments, or the date on which interest becomes payable, including by suspending payment for a temporary period; and
- (ii) the variation of the terms of the Instruments, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Swedish Statutory Loss Absorption Powers by the Relevant Resolution Authority.

For the purposes of this Condition 15.03:

“BRRD” means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, as the same may be amended or replaced from time to time;

“Relevant Amounts” means the outstanding principal amount of the Instruments, together with any accrued but unpaid interest and additional amounts (as described in Condition 7) due on the Instruments. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any Swedish Statutory Loss Absorption Powers by the Relevant Resolution Authority;

“Relevant Resolution Authority” means the resolution authority with the ability to exercise any Swedish Statutory Loss Absorption Powers in relation to the Company; and

“Swedish Statutory Loss Absorption Powers” means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Kingdom of Sweden, relating to (i) the transposition of the BRRD (including but not limited to the Resolution Act (*Lagen (2015:1016 om resolution)*)) as amended or replaced from time to time and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of the Company (or any affiliate of the Company) can be reduced, cancelled, modified, or converted into shares, other securities or other obligations of the Company or any other person (or suspended for a temporary period).

16. Third Parties Rights

No person shall have any right to enforce any term or condition of any Instruments under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

5. Terms and Conditions of the S.O. Bonds

The following are the Terms and Conditions of the S.O. Bonds which, when construed together with Part A of the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement in relation to any S.O. Bonds, will be applicable to each Series of S.O. Bonds:

The S.O. Bonds are covered bonds issued in accordance with the Swedish Act (2003:1223) on Issuance of Covered Bonds (Sw: *Lagen (2003:1223) om utgivning av säkerställda obligationer*) (the "S.O. Act"). The S.O. Bonds are the subject of an amended and restated fiscal agency agreement (the "Fiscal Agency Agreement", which expression shall include any amendments or supplements thereto) dated 14 May 2019 and made between Swedbank Mortgage AB (publ) (the "Company"), Citibank, N.A., London Branch, in its capacities as fiscal agent (the "Fiscal Agent", which expression shall include any successor to Citibank, N.A., London Branch, in its capacity as such), as paying agent, as transfer agent and as exchange agent (the "Exchange Agent", which expression shall include any successor to Citibank, N.A., London Branch in its capacity as such), Citigroup Global Markets Europe AG as registrar (the "Registrar", which expression shall include any successor to Citigroup Global Markets Europe AG, in its capacity as such) and The Bank of New York Mellon SA/NV, Luxembourg Branch as paying agent (a "Paying Agent" and, together with the Fiscal Agent and any substitute or additional paying agents appointed in accordance with the Fiscal Agency Agreement, the "Paying Agents") and as transfer agent (a "Transfer Agent" and, together with the Fiscal Agent and any substitute or additional transfer agents appointed in accordance with the Fiscal Agency Agreement, the "Transfer Agents"). References herein to the Paying Agents and the Transfer Agents shall include any additional Paying Agent(s) and/or Transfer Agent(s) specified in the applicable Final Terms (as defined below) or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement.

A copy of each of the Fiscal Agency Agreement and the Deed of Covenant (as defined below) is available for inspection at the specified office of the Fiscal Agent and, in relation to a Tranche of Registered S.O. Bonds, the Registrar.

All persons from time to time entitled to the benefit of obligations under any S.O. Bonds shall be deemed to have notice of and to be bound by all of the provisions of the Fiscal Agency Agreement insofar as they relate to the S.O. Bonds.

References herein to "Exempt S.O. Bonds" are to S.O. Bonds for which no prospectus is required to be published under the Prospectus Directive. For the purposes of these Terms and Conditions of the S.O. Bonds, "Prospectus Directive" means Directive 2003/71/EC (as amended or superseded), and includes any relevant implementing measure in a relevant Member State of the European Economic Area (the "EEA").

The final terms of the S.O. Bonds (or the relevant provisions thereof) are set out in (i) in the case of S.O. Bonds other than Exempt S.O. Bonds, Part A of a final terms document (the "Final Terms") relating to the S.O. Bonds which completes these Terms and Conditions (the "Conditions") or (ii) in the case of Exempt S.O. Bonds, a pricing supplement (the "Pricing Supplement") which supplements, 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 S.O. Bonds. References to the "applicable Final Terms" are accordingly to Part A of the Final Terms (or the relevant provisions thereof) relating to the S.O. Bonds and references to the "applicable Pricing Supplement" are accordingly to Part A of the Pricing Supplement (or the relevant provisions thereof) relating to the Exempt S.O. Bonds.

Copies of the Final Terms will, in the case of S.O. Bonds admitted to trading on the regulated market of the Irish Stock Exchange plc, trading as Euronext Dublin ("Euronext Dublin"), be published on the website of the Central Bank of Ireland at <https://www.centralbank.ie/regulation/industry-market-sectors/securities-markets/prospectus-regulation/prospectuses> and on the website of Euronext Dublin at www.ise.ie. If the S.O. Bonds are to be admitted to trading on any other regulated market in the EEA, the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement, will be published in accordance with the rules and regulations of the relevant listing authority or stock exchange and otherwise in accordance with Article 14 of the Prospectus Directive. Copies of the Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement, will also be available, upon request, free of charge, at the registered office of the Company and the specified office of the Fiscal Agent and, in relation to a Tranche of Registered S.O. Bonds, the Registrar, save that, if the Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement, relate to S.O. Bonds which are neither admitted to trading on a regulated market in the EEA nor offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Directive (including Exempt S.O. Bonds), copies will only be obtainable by a Holder of, or an Accountholder (as defined in the Deed of Covenant) in respect of, such S.O. Bonds upon production of evidence satisfactory to the Company, the Fiscal Agent or, as the case may be, the Registrar, as to its holding of such S.O. Bonds and identity or being such Accountholder, as the case may be.

As used herein, "Tranche" means S.O. Bonds which are identical in all respects (including as to listing and admission to trading and save that a Tranche may comprise S.O. Bonds in more than one denomination) and "Series" means a Tranche of S.O. Bonds together with any further Tranche or Tranches of S.O. Bonds which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

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

For the purposes of these Conditions, references to "S.O. Bonds" are to S.O. Bonds of the same Series and shall, as the context may require, be deemed to include any Temporary Global S.O. Bond, Permanent Global S.O. Bond, Definitive Bearer S.O. Bond, Restricted Registered Global S.O. Bond, Unrestricted Registered Global S.O. Bond or, as the case may be, Definitive Registered S.O. Bond (each as defined below). References in the Conditions to Coupons (as defined below) are to Coupons relating to S.O. Bonds of the relevant Tranche and to "Holders" shall include holders of Coupons, as the context may require.

1. Form and Denomination

Form

1.01 The S.O. Bonds are issued in bearer form ("Bearer S.O. Bonds") or in registered form ("Registered S.O. Bonds") and, in the case of definitive S.O. Bonds, serially numbered, in the currency (the "Specified Currency") and the denomination(s) (the "Specified Denomination(s)") specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the Pricing Supplement. S.O. Bonds of one Specified Denomination may not be exchanged for S.O. Bonds of another Specified Denomination.

The S.O. Bonds may be Fixed Rate S.O. Bonds, Floating Rate S.O. Bonds or Zero Coupon S.O. Bonds 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 S.O. Bonds, the applicable Pricing Supplement.

Definitive Bearer S.O. Bonds are issued with Coupons attached unless they are Zero Coupon S.O. Bonds in which case references to Coupons and Coupon holders in the Conditions are not applicable.

Form of Bearer S.O. Bonds

1.02 Bearer S.O. Bonds will be issued as covered bonds (*Sw: säkerställda obligationer*) pursuant to the S.O. Act and will be represented upon issue by a temporary global S.O. Bond (a “Temporary Global S.O. Bond”) in substantially the form (subject to amendment and completion) set out in the Fiscal Agency Agreement. On or after the date (the “Exchange Date”) which is 40 days after the completion of the distribution of the S.O. Bonds of the relevant Tranche and provided certification as to the beneficial ownership thereof as required by United States Treasury Regulations section 1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) has been received, interests in the Temporary Global S.O. Bond may be exchanged for either (as specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement):

- (i) interests in a permanent global S.O. Bond (a Permanent Global S.O. Bond”) representing the S.O. Bonds of that Tranche and in substantially the form (subject to amendment and completion) set out in the Fiscal Agency Agreement; or
- (ii) Bearer S.O. Bonds in definitive form (“Definitive Bearer S.O. Bonds”) serially numbered and in substantially the form (subject to amendment and completion) set out in the Fiscal Agency Agreement.

1.03 In the case of Bearer S.O. Bonds, if any date on which a payment of interest is due on the S.O. Bonds of a Tranche occurs whilst any of the S.O. Bonds of that Tranche are represented by the Temporary Global S.O. Bond, if such payment falls due before the Exchange Date, the related interest payment will be made on the Temporary Global S.O. Bond upon and to the extent of delivery to or to the order of any of the Paying Agents outside the United States of a certificate or certificates of non-U.S. beneficial ownership issued by Euroclear Bank SA/NV (“Euroclear”) or Clearstream Banking S.A. (“Clearstream, Luxembourg”) and dated not earlier than the relevant interest payment date.

Payments of principal or interest (if any) on a Permanent Global S.O. Bond will be made through Euroclear and/or Clearstream, Luxembourg without any requirement for certification. References 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 S.O. Bonds, the applicable Pricing Supplement.

1.04 In the case of Bearer S.O. Bonds, interests in the Permanent Global S.O. Bond will be exchangeable, in whole but not in part, (free of charge to the Holder) for Definitive Bearer S.O. Bonds as indicated in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement, either:

- (i) upon not less than 45 days’ written notice (expiring at least 30 days after the Exchange Date (as defined in the relevant Temporary Global S.O. Bond)) being given to the Fiscal Agent by the bearer of the Permanent Global S.O. Bond; or
- (ii) upon not less than 45 days’ written notice (expiring at least 30 days after the Exchange Date) being given to the Fiscal Agent by the bearer of the Permanent Global S.O. Bond only upon the occurrence of any Exchange Event, or by the Company upon the occurrence of an Exchange Event described in (ii) below.

“Exchange Event” means (i) either of Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention to cease business permanently; or (ii) if the Company or any Paying Agent, by reason of any change in, or amendment to, Swedish law, is or will be required to make any deduction or withholding from any payment under the S.O. Bonds which would not be required if such S.O. Bonds were in definitive form.

1.05 Interest-bearing Definitive Bearer S.O. Bonds will, unless otherwise specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement, be security-printed and will have attached thereto at the time of their initial delivery coupons (“Coupons”) and, if indicated in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement, talons for further Coupons (“Talons”), presentation of which will be a prerequisite to the payment of interest in certain circumstances specified below. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Bearer S.O. Bonds in global form do not have Coupons or Talons attached on issue.

Form of Registered S.O. Bonds

1.06 Registered S.O. Bonds will be issued as covered bonds (Sw: *Säkerställda obligationer*) pursuant to the S.O. Act and will be represented upon issue by S.O. Bonds in the following form:

- (i) S.O. Bonds initially sold within the United States in reliance on Rule 144A under the United States Securities Act of 1933, as amended (the “Securities Act”) will be represented by beneficial interests in a restricted registered global S.O. Bond (a “Restricted Registered Global S.O. Bond”) in substantially the form (subject to amendment and completion) set out in the Fiscal Agency Agreement, which will be deposited with a custodian for The Depository Trust Company (“DTC”) and registered in the name of Cede & Co. as nominee of DTC; and
- (ii) S.O. Bonds initially sold to persons other than U.S. persons in reliance on Regulation S under the Securities Act will be represented by beneficial interests in an unrestricted registered global S.O. Bond (an “Unrestricted Registered Global S.O. Bond”) in substantially the form (subject to amendment and completion) set out in the Fiscal Agency Agreement, which will be deposited either (i) with a custodian for DTC and registered in the name of Cede & Co. as nominee of DTC for the account of Euroclear and Clearstream, Luxembourg for the accounts of their respective participants, or (ii) with a common depository or a common safekeeper, as the case may be, for, and in respect of, interests held through Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of a common depository for Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement.

An interest in either the Restricted Registered Global S.O. Bond or the Unrestricted Registered Global S.O. Bond (each a “Registered Global S.O. Bond”) may be exchanged for a definitive Registered S.O. Bond (a “Definitive Registered S.O. Bond”) in the limited circumstances set out in such Registered Global S.O. Bond. A Definitive Registered S.O. Bond may be exchanged for another Definitive Registered S.O. Bond under certain circumstances described in the Fiscal Agency Agreement. In relation to any Tranche, prior to the expiry of the period that ends 40 days after the later of the date of issue of such Tranche and the completion of the distribution of such Tranche, beneficial interests in an Unrestricted Registered Global S.O. Bond will only be exchangeable for interests in a Restricted Registered Global S.O. Bond in accordance with the certification requirements described in the Fiscal Agency Agreement.

Registered S.O. Bonds will not be exchangeable for Bearer S.O. Bonds or *vice versa*.

The Depository Trust Company

1.07 Registered S.O. Bonds will, if so specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement, be the subject of an application by the Company to DTC for the acceptance of such Registered S.O. Bonds into DTC's book-entry settlement system. If such application is accepted, one or more Registered S.O. Bonds (each a "DTC S.O. Bond") in denominations equivalent in aggregate to the aggregate principal amount of relevant Registered S.O. Bonds which are to be held in such system will be issued to DTC and registered in the name of Cede & Co., or such other person as may be nominated by DTC for the purpose as nominee for DTC. Thereafter, such registered nominee will be the holder of record and entitled to rights in respect of each DTC S.O. Bond. Accordingly, each person having a beneficial interest in a DTC S.O. Bond must rely on the procedures of the institutions having accounts with DTC to exercise any rights of such person. So long as Registered S.O. Bonds are traded through DTC's book-entry settlement system, ownership of a beneficial interest in the relevant DTC S.O. Bond will (unless otherwise required by applicable law or regulatory requirement) be shown on, and transfers of such beneficial interest may be effected only through, records maintained by (a) DTC or its registered nominee (as to DTC-participant interests) or (b) institutions having accounts with DTC (including, without limitation, Euroclear and Clearstream, Luxembourg).

Surrender of Global S.O. Bonds in Exchange for Definitive S.O. Bonds

1.08 In order to exchange interests in a global S.O. Bond for definitive S.O. Bonds, a Holder must surrender or, as the case may be, present the relevant Temporary Global S.O. Bond or Permanent Global S.O. Bond at the specified office of the Fiscal Agent or, as the case may be, present the relevant Registered Global S.O. Bond at the specified office of the Registrar or its agent, together, in each case, with a request in writing specifying the principal amount of such Temporary Global S.O. Bond or Permanent Global S.O. Bond or, as the case may be, Registered Global S.O. Bond, to be exchanged. Any such definitive S.O. Bonds shall be issued pursuant to the terms of the Fiscal Agency Agreement.

1.09 If default is made by the Company in the required delivery of definitive S.O. Bonds and such default is continuing at 6.00 p.m. (London time) on the thirtieth day after the Temporary Global S.O. Bond or Permanent Global S.O. Bond or Registered Global S.O. Bond, as the case may be, first becomes exchangeable for definitive S.O. Bonds, such global S.O. Bond will become void in accordance with its terms but without prejudice to the rights of the accountholders with Euroclear, Clearstream, Luxembourg and/or DTC, as the case may be, in relation thereto under a deed of covenant (the "Deed of Covenant", which expression shall include any amendments or supplements thereto) dated 13 May 2015 and executed and delivered by the Company in relation to the S.O. Bonds.

2. Title

2.01 Title to Bearer S.O. Bonds and Coupons passes by delivery. References herein to the "Holders" of Bearer S.O. Bonds or of Coupons are to the bearers of such Bearer S.O. Bonds or Coupons.

2.02 Title to Registered S.O. Bonds passes by registration in the register which is kept by the Registrar. References herein to the "Holders" of Registered S.O. Bonds are to the persons in whose names such S.O. Bonds are so registered.

2.03 The Holder of any S.O. Bond will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Holder.

Transfer of Registered S.O. Bonds in definitive form

2.04 Definitive Registered S.O. Bonds may, upon the terms and subject to the conditions set forth in the Fiscal Agency Agreement, be transferred in whole or in part only (in the authorised denominations set out in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement) upon the surrender of the Registered S.O. Bond to be transferred for registration of the transfer of the Registered S.O. Bond (or the relevant part thereof), together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or any Transfer Agent. A new Registered S.O. Bond will be issued to the transferee and, in the case of a transfer of part only of a Registered S.O. Bond, a new Registered S.O. Bond in respect of the balance not transferred will be issued to the transferor.

2.05 Each new Registered S.O. Bond to be issued upon the transfer of Registered S.O. Bonds in definitive form will, within three London Business Days (as defined in the Fiscal Agency Agreement) of the effective receipt of such form of transfer by the Registrar or the relevant Transfer Agent at its specified office, be available for delivery at the specified office of the Registrar or the relevant Transfer Agent. For these purposes, a form of transfer received by the Registrar or the Transfer Agent during the period of 15 London Business Days ending on the due date for any payment on the relevant Registered S.O. Bond shall be deemed not to be effectively received until the day following the due date for such payment.

2.06 The issue of new Registered S.O. Bonds on transfer will be effected without charge by or on behalf of the Company or the Registrar, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Registrar may require in respect of) any tax or other governmental charges which may be imposed in relation thereto.

2.07 Upon the transfer, exchange or replacement of Restricted Registered S.O. Bonds of any Tranche bearing the private placement legend (the "Rule 144A Legend") set forth in the form of Restricted Registered S.O. Bond set out in the Fiscal Agency Agreement, the Registrar shall deliver only Registered S.O. Bonds of such Tranche that also bear such legend unless either (i) such transfer, exchange or replacement occurs one year or more after the later of (1) the original issue date of S.O. Bonds of such Tranche or (2) the last date on which the Company or any affiliates (as defined below) of the Company as notified to the Registrar by the Company as provided in the following sentence, was the beneficial owner of such S.O. Bond (or any predecessor of such S.O. Bond) or (ii) there is delivered to the Registrar an opinion reasonably satisfactory to the Company of counsel experienced in giving opinions with respect to questions arising under the securities laws of the United States to the effect that neither such legend nor the restrictions on transfer set forth therein are required in order to maintain compliance with the provisions of such laws.

2.08 Transfers of beneficial interests in Registered Global S.O. Bonds will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global S.O. Bond will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for S.O. Bonds in definitive form or for a beneficial interest in another Registered Global S.O. Bond only in the authorised denominations set out in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Fiscal Agency Agreement. Transfers of a Registered Global S.O. Bond registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global S.O. Bond, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

3. Status

The S.O. Bonds of each Tranche constitute unsubordinated obligations of the Company and rank *pari passu* without any preference among themselves. The S.O. Bonds are obligations issued in accordance with the

S.O. Act and rank *pari passu* with all other obligations of the Company that have been provided the same priority as S.O. Bonds issued in accordance with the terms of the S.O. Act.

4. Interest

4A. Interest on Fixed Rate S.O. Bonds

Each Fixed Rate S.O. Bond 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 the S.O. Bonds are in definitive form, except as provided in the applicable Final Terms or, in the case of Exempt S.O. Bonds, 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 S.O. Bonds, the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in the 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.

Except in the case of S.O. Bonds 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 S.O. Bonds, the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate S.O. Bonds which are represented by a global S.O. Bond, the aggregate outstanding nominal amount of the Fixed Rate S.O. Bonds represented by such global S.O. Bond; or
- (B) in the case of Fixed Rate S.O. Bonds 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 S.O. Bond in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate S.O. Bond 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.

"Day Count Fraction" means, in respect of the calculation of an amount of interest in accordance with this Condition 4A:

- (i) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement:
 - (A) in the case of S.O. Bonds 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 (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement) that would occur in one calendar year; or

- (B) in the case of S.O. Bonds where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (aa) 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 that would occur in one calendar year; and
 - (bb) 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; and
- (ii) if “30/360” is specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, 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.

In the Conditions:

“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, one cent.

4B. Interest on Floating Rate S.O. Bonds

(i) Interest Payment Dates

Each Floating Rate S.O. Bond 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) in each year specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, 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 S.O. Bonds, 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 S.O. Bonds, 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 the 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 S.O. Bonds, the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in 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:

- (aa) in any case where Specified Periods are specified in accordance with Condition 4B(i)(B) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) 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 (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (bb) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (cc) 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
- (dd) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, "Business Day" means:

- (1) 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 each Business Centre (other than TARGET2 System (as defined below)) specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement;
- (2) if TARGET2 System is specified as a Business Centre in the applicable Final Terms, or in the case of Exempt S.O. Bonds, the applicable Pricing Supplement, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "TARGET2 System") is open; and
- (3) either (i) 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 (ii) in relation to any sum payable in Euro, a day on which the TARGET2 System is open.

(ii) Rate of Interest

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

(A) ISDA Determination for Floating Rate S.O. Bonds

Where ISDA Determination is specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, 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 S.O. Bonds, the applicable Pricing Supplement) the Margin (if any). For the purposes of this subparagraph (A), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Fiscal Agent under an interest rate swap transaction if the Fiscal 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 S.O. Bonds (the "ISDA Definitions") and under which:

- (I) the Floating Rate Option is as specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement;
- (II) the Designated Maturity is a period specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement; and
- (III) the relevant Reset Date is the day specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement.

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

Unless otherwise stated in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement, the Minimum Rate of Interest shall be deemed to be zero.

(B) Screen Rate Determination for Floating Rate S.O. Bonds

Where Screen Rate Determination is specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, 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:

- (I) the offered quotation; or
- (II) 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 on the Interest Determination Date in question plus or minus (as indicated in the applicable Final

Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement) the Margin (if any), all as determined by the Fiscal 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 Fiscal Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

For the purposes of these Conditions:

"Interest Determination Date" shall mean the date specified as such in the Final Terms or, in the case of Exempt S.O. Bonds, 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 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;
- (vii) if the Reference Rate is the Tokyo interbank offered rate ("TIBOR"), the second Tokyo business day prior to the start of each Interest Period; or
- (viii) if the Reference Rate is the Hong Kong interbank offered rate ("HIBOR"), the first day of each Interest Period.

"Reference Banks" shall mean, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, and, in each case of a determination of a Reference Rate that is not LIBOR or EURIBOR, the principal office in the Relevant Financial Centre of four major banks in the inter-bank market of the Relevant Financial Centre in each case selected by the Company on the advice of an investment bank of international repute.

"Reference Rate" shall mean (i) LIBOR; (ii) EURIBOR; (iii) STIBOR; (iv) NIBOR; (v) CIBOR; (vi) TIBOR; or (vii) HIBOR, in each case for the relevant period, as specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement, or, in the case of Exempt S.O. Bonds only, such other Reference Rate as shall be specified in the applicable Pricing Supplement.

"Relevant Financial Centre" shall mean (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; (vi) Tokyo, in the case of a determination of TIBOR; or (vii) Hong Kong, in the case of a determination of HIBOR, as specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement, or, in the case of Exempt S.O. Bonds only, such other Relevant Financial Centre as shall be specified in the applicable Pricing Supplement.

"Relevant Screen Page" has the meaning specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement and includes such successor or replacement page on the relevant service which displays the relevant information.

"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.; (vi) in the case of TIBOR, 11.00 a.m.; or (vii) in the case of HIBOR, 11.00 a.m., in each case in the Relevant Financial Centre, or, in the case of Exempt S.O. Bonds, such other time as shall be specified in the applicable Pricing Supplement.

If the Relevant Screen Page is not available or if, in the case of Condition 4(b)(ii)(B)(I), no offered quotation appears or, in the case of Condition 4 (b)(ii)(B)(II), fewer than three offered quotations appear, in each case as at the Relevant Time, the Fiscal Agent or the Calculation Agent, as the case may be, shall request each of the Reference Banks to provide the Fiscal Agent or the Calculation Agent, as the case may be, with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Fiscal Agent or the Calculation Agent, as the case may be, with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Fiscal Agent or the Calculation Agent, as the case may be.

If on any Interest Determination Date one only or none of the Reference Banks provides the Fiscal Agent or the Calculation Agent, as the case may be, with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Fiscal Agent or the Calculation Agent, as the case may be, 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 Fiscal Agent or the Calculation Agent, as the case may be, by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Relevant Time 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 interbank market (if the Reference Rate is LIBOR) or the Eurozone interbank market (if the Reference Rate is EURIBOR) or the interbank 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 Fiscal Agent or the Calculation Agent, as the case may be, with 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 on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Company suitable for the purpose) informs the Fiscal Agent or the Calculation Agent, as the case may be, it is quoting to leading banks in the London interbank market (if the Reference Rate is LIBOR) or the Eurozone interbank market (if the Reference Rate is EURIBOR) or the interbank 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).

Unless otherwise stated in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement, the Minimum Rate of Interest shall be deemed to be zero.

(C) Benchmark Discontinuation

This Condition 4B(ii)(C) applies only if “Benchmark Discontinuation” is specified to be applicable in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement and where Screen Rate Determination is specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined.

- (a) If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Company shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Company determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4B(ii)(C)(b)(ii)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 4B(ii)(C)(c)) and/or any Benchmark Amendments (in accordance with Condition 4B(ii)(C)(d)).

An Independent Adviser appointed pursuant to this Condition 4B(ii)(C) shall act in good faith and (in the absence of fraud) shall have no liability whatsoever to the Company, the Fiscal Agent, the Paying Agents or the Holders for any determination made by it or for any advice given to the Company in connection with any determination made by the Company, pursuant to this Condition 4B(ii)(C).

- (b) If the Company, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:
- (i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4B(ii)(C)(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the S.O. Bonds (subject to the operation of this Condition 4B(ii)(C)); or
 - (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4B(ii)(C)(c)) subsequently be used in place of the Original Reference Rate to determine the Rate

of Interest (or the relevant component part thereof) for all future payments of interest on the S.O. Bonds (subject to the operation of this Condition 4B(ii)(C)).

- (c) If the Company, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).
- (d) If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4B(ii)(C) and the Company, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "Benchmark Amendments") and (ii) the terms of the Benchmark Amendments, then the Company shall, subject to giving notice thereof in accordance with Condition 4B(ii)(C)(e)), without any requirement for the consent or approval of Holders, vary these Conditions and/or the Fiscal Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 4B(ii)(C)(d)), the Company shall comply with the rules of any stock exchange on which the S.O. Bonds are for the time being listed or admitted to trading.

- (e) If the Company is unable to appoint an Independent Adviser in accordance with this Condition 4(b)(ii)(C), the Company, acting in good faith and in a commercially reasonable manner, may still determine (i) a Successor Rate or Alternative Rate and (ii) in either case, an Adjustment Spread and/or any Benchmark Amendments in accordance with this Condition 4(b)(ii)(C) (with the relevant provisions in this Condition 4(b)(ii)(C) applying *mutatis mutandis* to allow such determinations to be made by the Company without consultation with an Independent Adviser).

Where this Condition 4(b)(ii)(C)(e) applies, without prejudice to the definitions thereof, for the purposes of determining any Successor Rate, Alternative Rate, Adjustment Spread and/or Benchmark Amendments (as the case may be), the Company will take into account any relevant and applicable market precedents and customary market usage as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets.

- (f) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4B(ii)(C) will be notified promptly by the Company to the Fiscal Agent, the Paying Agents and, in accordance with Condition 12, the Holders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Fiscal Agent of the same, the Company shall deliver to the Fiscal Agent a certificate signed by two duly authorised signatories of the Company:

- (A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate and, (iii) where applicable, any Adjustment

Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4B(ii)(C); and

- (B) certifying that the Benchmark Amendments (if applicable) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and/or the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error) be binding on the Company, the Fiscal Agent, the Paying Agents and the Holders.

- (g) Without prejudice to the obligations of the Company under Condition 4B(ii)(C) the Original Reference Rate and the fallback provisions provided for in Condition 4B(ii)(B) will continue to apply unless and until either a Successor Rate or an Alternative Rate (and any associated Adjustment Spread and/or Benchmark Amendments) is determined pursuant to this Condition 4B(ii)(C).

In such circumstances, the Company will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of Condition 4B(ii)(C), mutatis mutandis, on one or more occasions until a Successor Rate or Alternative Rate (and, if applicable, any associated Adjustment Spread and/or Benchmark Amendments) has been determined and notified (and, until such determination and notification (if any), the fallback provisions provided for in Condition 4B(ii)(B) will continue to apply).

- (h) As used in this Condition 4B(ii)(C):

“Adjustment Spread” means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate),
- (ii) the Company determines, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Company determines that no such spread is customarily applied),
- (iii) the Company determines, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

“Alternative Rate” means an alternative benchmark or screen rate which the Company determines in accordance with Condition 4B(ii)(C)(b)(ii) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of

determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the S.O. Bonds.

“Benchmark Amendments” has the meaning given to it in Condition 4B(ii)(C)(d).

“Benchmark Event” means:

- (1) the Original Reference Rate ceasing to be published for a period of at least five consecutive Business Days or ceasing to exist; or
- (2) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (3) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (4) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences; or
- (5) an official announcement by the supervisor of the administrator of the Original Reference Rate, with effect from a date after 31 December 2021, that the Original Reference Rate is no longer representative of its relevant underlying market; or
- (6) it has become unlawful for Fiscal Agent, any Paying Agent, the Company or any other party to calculate any payments due to be made to any Holder using the Original Reference Rate,

provided that in the case of sub-paragraphs (2), (3) and (4), the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be, and not the date of the relevant public statement.

“Independent Adviser” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Company under Condition 4B(ii)(C)(a).

“Original Reference Rate” means:

- (i) the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the S.O. Bonds; or
- (ii) any Successor Rate or Alternative Rate which has been determined in relation to such benchmark or screen rate (as applicable) pursuant to the operation of Condition 4B(ii)(C).

“Relevant Nominating Body” means, in respect of an Original Reference Rate:

- (i) the central bank for the currency to which such Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of such Original Reference Rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which such Original Reference Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of such Original Reference Rate, (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

“Successor Rate” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

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

If the applicable Final Terms specify or, in the case of Exempt S.O. Bonds, 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 specify or, in the case of Exempt S.O. Bonds, 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 Fiscal 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 Fiscal Agent will calculate the amount of interest (the “Interest Amount”) payable on the Floating Rate S.O. Bonds for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate S.O. Bonds which are represented by a global S.O. Bond, the aggregate outstanding nominal amount of the S.O. Bonds represented by such global S.O. Bond; or
- (B) in the case of Floating Rate S.O. Bonds 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 S.O. Bond in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such S.O. Bond 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.

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 4B:

- (A) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, 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 (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (B) if “Actual/365 (Fixed)” is specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (C) if “Actual/365 (Sterling)” is specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement, the actual 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;
- (D) if “Actual/360” is specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (E) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, 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;

- (F) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, 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; and

- (G) if “30E/360 (ISDA)” is specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, 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.

(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 S.O. Bonds, the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation 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 S.O. Bonds, 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 S.O. Bonds, 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 Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

For the purposes of this Condition 4B(v), "Designated Maturity" means, (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate and (b) in relation to ISDA Determination, the Designated Maturity, as referred to in Condition 4B(ii)(A).

(vi) Notification of Rate of Interest and Interest Amounts

The Fiscal 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 Company, the Registrar (in the case of Registered S.O. Bonds) and any stock exchange on which the relevant Floating Rate S.O. Bonds are for the time being listed and notice thereof to be published in accordance with Condition 12 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 on which the relevant Floating Rate S.O. Bonds are for the time being listed and to the Holders of the S.O. Bonds in accordance with Condition 12. 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) 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 Condition 4B, by the Fiscal Agent shall (in the absence of wilful default, bad faith, manifest error and proven error) be binding on the Company, the Fiscal Agent, the other Paying Agents and all Holders of the S.O. Bonds and (in the absence of wilful default and bad faith) no liability to the Company or the Holders shall attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(viii) Calculation Agent

If the applicable Final Terms specify or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement specifies that a Calculation Agent will be appointed in place of the Fiscal Agent for the purposes of calculating the Rate(s) of Interest and Interest Amount(s) as aforesaid, references in this Condition 4B to the Fiscal Agent shall, unless the context otherwise requires, be construed as references to such Calculation Agent.

4C. Accrual of Interest

Each S.O. Bond (or in the case of the redemption of part only of an S.O. Bond, that part only of such S.O. Bond) will cease to bear interest (if any) from the date for its redemption unless payment of principal is

improperly withheld or refused. In such event, interest will continue to accrue thereon (as well after as before any demand or judgment) at the rate then applicable to the principal amount of the S.O. Bonds or such other rate as may be specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement, until the date on which, upon (except in the case of any payment where presentation and/or surrender of the relevant S.O. Bond is not required as a precondition of payment) due presentation of the relevant S.O. Bond, the relevant payment is made or, if earlier (except in the case of any payment where presentation and/or surrender of the relevant S.O. Bond is not required as a precondition of payment), the seventh day after the date on which, the Fiscal Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders in accordance with Condition 12 of that circumstance (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

5. Redemption and Purchase

Redemption at Maturity

5.01 Unless previously redeemed or purchased and cancelled as specified below, each S.O. Bond will be redeemed by the Company at its Final Redemption Amount specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date.

Redemption at the Option of the Company (Company Call)

5.02 If Company Call is specified as being applicable in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement, the Company may, having given:

- (i) not less than 15 nor more than 30 days' notice (or such other notice period as may be specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement) to the Holders in accordance with Condition 12; and
- (ii) not less than 15 days before the giving of the notice referred to in (i) above, notice to the Fiscal Agent and the Registrar (in the case of Registered S.O. Bonds);

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the S.O. Bonds then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement, together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement.

In the case of a partial redemption of S.O. Bonds, the S.O. Bonds to be redeemed ("Redeemed S.O. Bonds") will be selected individually by lot, in the case of Redeemed S.O. Bonds represented by definitive S.O. Bonds, and 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) and/or DTC and/or SIS, as the case may be, in the case of Redeemed S.O. Bonds represented by a global S.O. Bond, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date"). In the case of Redeemed S.O. Bonds represented by definitive S.O. Bonds, a list of the serial numbers of such Redeemed S.O. Bonds will be published in accordance with Condition 12 not less than 15 days (or such other notice period as may be specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement) prior to the date fixed for redemption. No exchange of the relevant global S.O. Bond will be permitted during the period

from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 5.02 and notice to that effect shall be given by the Company to the Holders in accordance with Condition 12 at least five days prior to the Selection Date.

Purchase of S.O. Bonds

5.03 Subject to Condition 2.07, the Company or any Subsidiary (as defined in the Fiscal Agency Agreement) of the Company may at any time purchase S.O. Bonds in the open market or otherwise and at any price.

Cancellation of Redeemed and Purchased S.O. Bonds

5.04 All unmatured S.O. Bonds redeemed or purchased in accordance with this Condition 5 (provided, in the case of definitive S.O. Bonds that all unmatured Coupons and Talons relating thereto are attached or surrendered therewith) will be cancelled and may not be reissued or resold. References in this Condition 5 to the purchase of S.O. Bonds by the Company or any Subsidiary of the Company shall not include the purchase of S.O. Bonds in the ordinary course of business of dealing in securities or the purchase of S.O. Bonds otherwise than as beneficial owner.

Late Payment on Zero Coupon S.O. Bonds

5.05 If the amount payable in respect of any Zero Coupon S.O. Bond upon redemption of such Zero Coupon S.O. Bond pursuant to Condition 5.01 or 5.02 above is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon S.O. Bond shall be the amount calculated as equal to $RP \times (1 + AY)^y$

where:

“RP” means the Reference Price;

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

“y” is the Day Count Fraction specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, 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 S.O. Bonds to (but excluding) the Late Payment Date 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 S.O. Bonds to (but excluding) the Late Payment Date 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 S.O. Bonds to (but excluding) the Late Payment Date and the denominator will be 365); and

“Late Payment Date” means the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon S.O. Bond have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon S.O. Bonds has been received by the Fiscal Agent or the Registrar and notice to that effect has been given to the Holders in accordance with Condition 12.

6. Taxation

All amounts payable (whether in respect of principal, redemption amount, interest or otherwise) in respect of the S.O. Bonds or Coupons by or on behalf of the Company will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Sweden or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law in which case such withholding or deduction will be made.

7. Payments

7A. 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 6 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 (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

7B. Presentation of Definitive Bearer S.O. Bonds and Coupons

Payments of principal in respect of Definitive Bearer S.O. Bonds will (subject as provided below) be made in the manner provided in Condition 7A above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer S.O. Bonds, and payments of interest in respect of Definitive Bearer S.O. Bonds will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Except as provided below, all payments of interest and principal with respect to Bearer S.O. Bonds will be made at such paying agencies outside the United States as the Company may appoint from time to time and to accounts outside the United States.

Fixed Rate S.O. Bonds in definitive bearer form (other than Long Maturity S.O. Bonds (as defined below)) should be presented for payment together with all unmatured Coupons 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 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 10 years after the Relevant Date (as defined below) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

For the purposes of this Condition 7, the "Relevant Date" means the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Fiscal Agent on or prior to such due date, it means the first date on which the full amount of such moneys has been so received and notice to that effect shall have been duly given to the Holders of the S.O. Bonds of the relevant Series in accordance with Condition 12.

Upon any Fixed Rate S.O. Bond in definitive bearer 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 the date on which any Floating Rate S.O. Bond or Long Maturity S.O. Bond in definitive bearer form becomes due and repayable, 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 S.O. Bond" is a Fixed Rate S.O. Bond (other than a Fixed Rate S.O. Bond which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such S.O. Bond shall cease to be a Long Maturity S.O. Bond 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 S.O. Bond.

If the due date for redemption of any Definitive Bearer S.O. Bond is not an Interest Payment Date, interest (if any) accrued in respect of such Definitive Bearer S.O. Bond 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 Bearer S.O. Bond.

7C. Payments in Respect of Bearer S.O. Bonds in Global Form

Payments of principal and interest (if any) in respect of S.O. Bonds represented by any bearer global S.O. Bond will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer S.O. Bonds or otherwise in the manner specified in the relevant bearer global S.O. Bond, where applicable, against presentation or surrender, as the case may be, of such bearer global S.O. Bond at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such bearer global S.O. Bond either by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

7D. Payments in Respect of Registered S.O. Bonds

Payments of principal in respect of Registered S.O. Bonds (whether or not in global form) will be made in the manner provided in Condition 7A above to the persons in whose name such S.O. Bonds are registered at the close of business on the business day (being for this purpose a day on which banks are open for business in the city where the Registrar is located) immediately prior to the relevant payment date against presentation and surrender (or, in the case of part payment of any sum due only, endorsement) of such S.O. Bonds at the specified office of the Registrar.

Payments of interest due on a Registered S.O. Bond (whether or not in global form) will be made in the manner specified in Condition 7A to the persons in whose name such S.O. Bond is registered (i) where in global form, at the close of business on the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) prior to such due date and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) (the "Record Date")) prior to such due date. In the case of payments by cheque, cheques will be mailed to the Holder (or the first named of joint Holders) at such Holder's registered address on the business day (as described above) immediately preceding the due date.

If payment in respect of any Registered S.O. Bonds is required by credit or transfer as referred to in Condition 7A above, application for such payment must be made by the Holder to the Registrar not later than the relevant Record Date.

7E. General Provisions Applicable to Payments

The Holder of a global S.O. Bond shall be the only person entitled to receive payments in respect of S.O. Bonds represented by such global S.O. Bond and the Company will be discharged by payment to, or to the order of, the Holder of such global S.O. Bond in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of S.O. Bonds represented by such global S.O. Bond must look solely to Euroclear or Clearstream, Luxembourg or DTC, as the case may be, for his share of each payment so made by the Company to, or to the order of, the Holder of such global S.O. Bond.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer S.O. Bonds is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Bearer S.O. Bonds will be made at the specified office of a Paying Agent in the United States if:

- (i) the Company 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 in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the S.O. Bonds in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Company, adverse tax consequences to the Company.

All amounts payable to DTC or its nominee as registered holder of a Registered Global S.O. Bond in respect of S.O. Bonds denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar (or the Fiscal Agent acting on the Registrar's behalf) to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Fiscal Agency Agreement.

7F. Payment Day

If the date for payment of any amount in respect of any S.O. Bond 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, "Payment Day" means any day which (subject to Condition 8) 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 S.O. Bonds in definitive form only, the relevant place of presentation;
 - (B) each Financial Centre specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement; and
 - (C) if TARGET2 System is specified as a Financial Centre in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement, a day on which the TARGET2 System is open; and
- (ii) either (I) 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 (II) in relation to any sum payable in Euro, a day on which the TARGET2 System is open.

7G. Interpretation of Principal

Any reference in the Conditions to principal in respect of the S.O. Bonds shall be deemed to include, as applicable:

- (i) the Final Redemption Amount of the S.O. Bonds;
- (ii) the Optional Redemption Amount(s) (if any) of the S.O. Bonds; and
- (iii) any premium and any other amounts (other than interest) which may be payable by the Company under or in respect of the S.O. Bonds.

8. Prescription

8.01 The S.O. Bonds (whether in bearer or registered form) and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the due date for payment.

8.02 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 or Condition 7B or any Talon which would be void pursuant to Condition 7B.

9. The Paying Agents, Transfer Agents, Exchange Agent and the Registrar

The initial Paying Agents, Transfer Agents, Exchange Agent and Registrar and their respective initial specified offices are specified below. If any additional Paying Agents are appointed in connection with any Series of S.O Bonds, the names of such Paying Agents will be specified in Part B of the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement. The Company reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Fiscal Agent), Transfer Agent, Exchange Agent or Registrar and to appoint additional or other Paying Agents, Transfer Agents, Exchange Agents or Registrars *provided that* it will at all times maintain (i) a Fiscal Agent, (ii) a Registrar (in the case of a Series of Registered S.O. Bonds) which, if the Registrar originally appointed in respect of such Series had its specified office outside the United Kingdom, shall also have a specified office outside the United Kingdom other than Sweden, (iii) a Paying Agent with a specified office in continental

Europe (but outside the United Kingdom) other than Sweden, (iv) if and so long as any S.O. Bonds are admitted to listing, trading and/or quotation by any listing authority, stock exchange, regulated market and/or quotation system which requires the appointment of a Paying Agent, a Transfer Agent or a Registrar in any particular place, a Paying Agent or (in the case of Registered S.O. Bonds) a Transfer Agent or Registrar having its specified office in the place required by such listing authority, stock exchange, regulated market and/or quotation system, and (v) so long as any of the Registered Global S.O. Bonds payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, an Exchange Agent.

In addition, the Company shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 7E.

The Paying Agents, the Transfer Agents, the Exchange Agent and the Registrar reserve the right at any time to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of the Paying Agents, the Transfer Agents, the Exchange Agent or the Registrar will be made promptly to the Holders.

10. Replacement of S.O. Bonds and Coupons

If any S.O. Bond or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent or of the Registrar (in the case of Registered S.O. Bonds) (and if the S.O. Bonds are then admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its specified office in the place required by such listing authority, stock exchange and/or quotation system), subject to all applicable laws and listing authority, stock exchange and/or quotation system requirements, upon payment by the claimant of all expenses incurred in such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Company and the Fiscal Agent or, as the case may be, the Registrar may require. Mutilated or defaced S.O. Bonds and Coupons must be surrendered before replacements will be delivered therefor.

11. Meetings of Holders; Modification

11.01 The Fiscal Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of the Holders of S.O. Bonds of any Series to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of any S.O. Bonds, any Coupons, any of the Conditions or the Deed of Covenant. An Extraordinary Resolution (i) passed at any meeting of the Holders of S.O. Bonds of any Series or (ii) passed by way of electronic consents given by Holders through the relevant clearing system(s) shall be binding on all Holders of such Series, whether or not they are present at any meeting and whether or not they had voted on the resolution and on all Coupon holders (if any).

11.02 The Fiscal Agent may, together with the other parties to the Fiscal Agency Agreement, agree, without the consent of the Holders of the S.O. Bonds or Coupons or any of the Accountholders (as defined in the Deed of Covenant), to any modification of the Fiscal Agency Agreement or of any S.O. Bonds or Coupons or of the Deed of Covenant which, in the opinion of the Company (following the advice of an independent financial institution of international standing), is not materially prejudicial to the interests of the Holders of such S.O. Bonds or Coupons or the Accountholders under the Deed of Covenant or which is, in the opinion of the Company, of a formal, minor or technical nature or to any modification which is necessary to correct a manifest or proven error.

12. Notices

To Holders of Bearer S.O. Bonds

12.01 Notices to Holders of Bearer S.O. Bonds will be deemed to be validly given if published in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*) or, if such publication is not practicable, if published in a leading English-language newspaper having general circulation in Europe or, in the case of a Temporary Global S.O. Bond or Permanent Global S.O. Bond, if delivered to Euroclear and Clearstream, Luxembourg for communication by them to the persons shown in their respective records as having interests therein. Provided that, in the case of S.O. Bonds listed on a stock exchange or admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules or by such other means as required by the relevant stock exchange or relevant authority. Any notice so given will be deemed to have been validly given on the date of first such publication (or, if published more than once, on the date of first such publication) or, as the case may be, on the date of such delivery.

To Holders of Registered S.O. Bonds

12.02 In the case of any Registered S.O. Bonds represented by a global S.O. Bond, notices shall be deemed to be validly given if delivered to Euroclear, Clearstream, Luxembourg and/or DTC for communication by them to the persons shown in their respective records as having interests therein. Any notice so given will be deemed to have been validly given on the date of such delivery.

Notices to Holders of Registered S.O. Bonds will be deemed to be validly given if sent by first class mail to them (or, in the case of joint Holders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the fourth Business Day after the date of such mailing and, in addition, for so long as any Registered S.O. Bonds are listed on a stock exchange or admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules or by such other means as required by the relevant stock exchange or relevant authority.

To the Company

12.03 Notices to the Company will be deemed to be validly given if delivered to the Company at its official address registered with the Swedish Companies Office from time to time, for the attention of the Head of Group Treasury, and will be deemed to have been validly given at the opening of business on the next day on which the Company's principal office is open for business.

13. Further Issues

The Company may from time to time without the consent of the Holders of any S.O. Bonds of any Series create and issue further notes, bonds or debentures having the same terms and conditions as the S.O. Bonds of such Series in all respects (or in all respects except for the issue date, issue price, the first payment of interest, if any, on them and the date from which interest starts to accrue) and so that the same shall be consolidated and form a single series with the S.O. Bonds of such Series.

14. Governing Law and Jurisdiction

14.01 The S.O. Bonds, the Fiscal Agency Agreement and the Deed of Covenant, all matters arising from or connected with them and any non-contractual obligations arising out of or in connection therewith are

governed by, and shall be construed in accordance with, English law, except that Condition 3 is governed by, and shall be construed in accordance with, Swedish Law.

14.02 The Company irrevocably agrees for the benefit of the Holders of the S.O. Bonds that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the S.O. Bonds (respectively, "Proceedings" and "Disputes") (including any Proceedings or Disputes relating to non-contractual obligations arising out of or in connection therewith) and, for such purposes, irrevocably submits to the jurisdiction of such courts. The Company irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and agrees not to claim that any such court is not a convenient or appropriate forum. The Company agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to Business Sweden, The Swedish Trade & Invest Council at its office at 6th Floor, Winchester House, 5 Upper Montagu Street, London, W1H 2AG, United Kingdom. If Business Sweden, The Swedish Trade & Invest Council ceases to have an office in England, the Company shall forthwith appoint another person in England to accept service of process on its behalf in England and notify the name and address of such person to the Fiscal Agent. Nothing contained herein shall affect the right to serve process in any other manner permitted by law. The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of the Holders of the S.O. Bonds or any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law.

15. Third Parties Rights

No person shall have any right to enforce any term or condition of any S.O. Bonds under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

6. Use of Proceeds

The net proceeds of the issue of each Tranche of Instruments or each Tranche of S.O. Bonds, as the case may be, will be used by the Company for its general business purposes, unless otherwise specified in the applicable Final Terms or, in the case of Exempt Securities, the applicable Pricing Supplement.

7. Summary of the Swedish Legislation Regarding Covered Bonds

The following is a brief summary of certain features of the Swedish Act (2003:1223) on Issuance of Covered Bonds (Sw: *Lagen (2003:1223) om utgivning av säkerställda obligationer*) (the "S.O. Act") at the date of this Base Prospectus. It does not purport to be, and is not, a complete description of all aspects of the Swedish legislative and regulatory framework for covered bonds. See also "Risk Factors – Risks Relating to the S.O. Bonds" above.

7.1 Introduction

The S.O. Act entered into force on 1 July 2004. It enables Swedish banks and credit market undertakings (Sw: *Kreditmarknadsföretag*) ("institutions"), which have been granted a specific licence by the Swedish Financial Supervisory Authority (Sw: *Finansinspektionen*) (the "Swedish FSA") to issue full-recourse debt instruments secured by a pool of mortgage credits and/or public sector credits (a "cover pool"). An institution may have more than one cover pool, each securing different full recourse debt instruments. If an institution has two or more cover pools it must maintain a separate special register for each such pool (see further below).

The Swedish FSA has issued regulations and recommendations under the authority conferred on it by the S.O. Act (Sw: *Finansinspektionens föreskrifter och allmänna råd om säkerställda obligationer (FFFS 2013:1)*) (the "Swedish FSA Regulations").

On 12 March 2018 the Commission launched a proposal for a directive on covered bonds which lays down the conditions that these bonds have to respect in order to be recognised under EU law. The proposal for a directive is complemented by a proposal for a regulation amending the treatment of covered bond exposure under the Regulation (EU) No 575/2013 (the Capital Requirements Regulation (CRR)). These proposals are part of the Capital Markets Union action plan in the EU. The proposals contain grandfathering provisions to allow existing covered national regimes to be deemed compliant with the new regime until maturity of the relevant covered bonds. The proposals were adopted by the EU in April 2019 but have not yet been published in the Official Journal. As such, some uncertainty remains as to the overall impact of the legislation.

Swedish covered bonds may take the form of bonds and other comparable debt instruments, such as commercial paper.

In the event of an institution's bankruptcy, holders of covered bonds (and certain eligible counterparties to derivative contracts entered into for the purpose of matching the financial terms of the assets in the cover pool with those of the covered bonds) benefit from a priority right in the pool of assets. The S.O. Act further enables such holders (and derivative counterparties) to continue to receive timely payments also following the institution's bankruptcy, subject to certain conditions being met.

The cover pool is dynamic in the sense that an institution may supplement or substitute assets in the cover pool at any time, provided that the assets satisfy the eligibility criteria, as set out below.

7.2 Registration

Information in respect of all covered bonds, assets in the cover pool and relevant derivative contracts must be entered into a special register (the "Register"), which is maintained by the institution. The actual registration of the covered bonds and relevant derivative contracts in the Register is necessary to confer the priority right in the cover pool. Further, only assets entered into the Register form part of the cover pool.

At all times the Register must show the nominal value of the covered bonds, the cover pool and the relevant derivative contracts. As a result, the Register requires regular updating on a daily basis, including without limitation due to changes in interest rates, interest periods, outstanding debt and the composition of the cover pool. The value of the underlying collateral securing mortgage credits in the cover pool must also be entered into the Register.

7.3 Eligibility Criteria for Assets in the Cover Pool

The cover pool may consist of certain mortgage credits, public credits and supplemental assets.

Mortgage credits are defined as loans secured by (i) mortgages over real property (Sw: *Fastigheter*) intended for residential, agricultural, office or commercial purposes or site leasehold rights (Sw: *Tomträtter*) intended for residential, office or commercial purposes, (ii) pledges over tenant-owner rights (Sw: *Bostadsrätter*), or (iii) comparable security interests over equivalent assets situated in other countries within the EEA.

Public credits are defined as certain loans to (or guaranteed by) *inter alia* the Kingdom of Sweden, Swedish municipalities and comparable public bodies, the European Union and the European Atomic Energy Community, certain foreign states and central banks and certain foreign municipalities and comparable public bodies with powers of taxation.

Supplemental assets consist primarily of government bonds and cash, although the Swedish FSA may also authorise the use of certain debt instruments issued by credit institutions and other bodies as supplemental assets.

7.4 Loan-to-Value Ratios and Certain Other Restrictions

For mortgage credits, there is a maximum loan amount which may be included in the cover pool, depending on the value of the underlying collateral:

- For residential collateral, a loan may be included in the cover pool only to the extent the loan amount does not exceed 75 per cent of the market value of the collateral;
- For agricultural collateral, a loan may be included in the cover pool only to the extent the loan amount does not exceed 70 per cent of the market value of the collateral; and
- For office or commercial collateral, a loan may be included in the cover pool only to the extent the loan amount does not exceed 60 per cent of the market value of the collateral.

Should a loan exceed the relevant ratio, only the part of the loan that falls within the permitted limit may be included in the cover pool (a "Partly Eligible Loan"). The S.O. Act does not explicitly regulate how proceeds in respect of a Partly Eligible Loan shall be distributed between the eligible and the non-eligible parts of the loan.

The most likely interpretation is that interest payments shall be allocated *pro rata* between the eligible and non-eligible parts of the loan and that amortisations shall be applied first towards the non-eligible part of the loan (absent enforcement of the security over the underlying collateral). However, it has been suggested (although there is no legal precedent for this) that the proceeds from enforcement of the security should be applied first towards the eligible part of the loan.

A similar situation arises if, for example, the same mortgage security serves as first-ranking security for two (or more) loans granted by an institution and only one of these loans is included in the cover pool. The S.O. Act does not give clear guidance as to how proceeds shall be allocated between the two loans in case of the

institution's bankruptcy. The lack of guidance may give room for unsecured creditors of the institution to argue that only a *pro rata* portion of such proceeds shall be allocated to the loan included in the cover pool.

The S.O. Act restricts the overall proportion of loans provided against security over real property (or site leasehold rights or tenant-owner rights) intended for office or commercial purposes to 10 per cent of an institution's cover pool.

Furthermore, the proportion of supplemental assets may not exceed 20 per cent of the cover pool, although the Swedish FSA has the authority to raise this limit to 30 per cent for a limited period in special circumstances.

Institutions are required to regularly monitor price development in the property markets in which they are active as lenders. When market prices decline, the institutions shall determine whether the market value of the mortgage assets that serve as collateral for loans included in the cover pool are at least as high as when last valued. If market prices decline significantly the market value of the relevant mortgage assets shall be reassessed. Market values of mortgage assets that serve as collateral for loans included in the cover pool shall be determined on an individual basis by a competent valuer. Market values for one and two family-dwellings and for residences with tenant-owner rights may be based on general price levels. If the market value of a mortgage asset declines significantly, then only such part of the loan that falls within the permitted loan-to-value ratio will be eligible for inclusion in the cover pool and will be subject to the priority right described below.

The S.O. Act does not define when a decline in value is to be considered "significant", but it is generally believed that a decline of close to 15 per cent or more would be considered significant while a lesser decline would not. Pursuant to the Swedish FSA Regulations, the issuer of covered bonds will be permitted to make revaluations of the cover pool upwards in limited and well-documented circumstances but if the issuer uses the right to adjust upwards it shall also make corresponding revaluations downwards when relevant (and therefore also when the change in the value downwards is less than 15 per cent). However, a decline in the market value following an institution's bankruptcy would not result in a reduction of the assets in which holders of covered bonds (and relevant derivative counterparties) have a priority right, but could result in the cover pool ceasing to meet the matching requirements.

7.5 Matching Requirements

The S.O. Act prescribes that the nominal value of the cover pool shall at all times be at least 2 per cent higher than the aggregate nominal value of claims that may be asserted against an institution by reference to covered bonds.

Furthermore, an institution must compose the cover pool in such a way as to ensure a sound balance between the covered bonds and the assets in the cover pool in terms of currencies, interest rates and interest fixation periods. Such sound balance is deemed to exist when the present value of the cover pool at all times exceeds the present value of the liabilities relating to the covered bonds with at least 2 per cent. The present value of derivative contracts shall be taken into account for the purposes of such calculation.

Also, the payment flows relating to the assets in the cover pool, derivative contracts and covered bonds shall be such that an institution is at all times able to meet its payment obligations towards holders of covered bonds and relevant derivative counterparties.

The Swedish FSA Regulations contain further details as to calculation of present values, stress tests, the terms of the derivative contracts and other items. For example, assets in the cover pool which are more than 60 days overdue must be disregarded for the purposes of the matching tests. The issuer must also carry out sensitivity (or "stress") tests regularly and at least once a year with respect to possible future changes in market values of the assets secured on mortgages in the cover pool. The tests shall be based on

assumptions of reduced market values of between 5 and 30 per cent and the issuer shall inform the Swedish FSA of actions that the issuer could undertake to improve the matching between assets in the cover pool and the covered bond liabilities in circumstances of reduced asset values.

7.6 Supervision by the Swedish FSA and the Independent Inspector

The Swedish FSA monitors an institution's compliance with the S.O. Act and other provisions of the legislative and regulatory framework which regulate the business of the institution. In addition, the Swedish FSA appoints an independent inspector (Sw: *Oberoende granskare*) for each institution that issues covered bonds.

The independent inspector is responsible for monitoring the Register on an ongoing basis to assess whether or not it is being maintained correctly and in compliance with the S.O. Act and the Swedish FSA Regulations. In particular, the independent inspector shall verify that (i) covered bonds and relevant derivative contracts are registered in the Register, (ii) only loans and supplemental assets that satisfy the eligibility criteria are included in the cover pool and registered in the Register, (iii) the valuations of the underlying collateral for loans in the cover pool are in accordance with the S.O. Act and the Swedish FSA Regulations, (iv) mortgage loans the underlying collateral of which has decreased significantly in value are, for the purpose of the matching requirements, deducted from the cover pool to the extent necessary to comply with the relevant loan-to-value ratio and (v) the matching requirements are complied with. According to the Swedish FSA Regulation, the independent inspector is to use a "risk based approach" in its inspection of the issuer's compliance with the rules and regulation.

The independent inspector is entitled to request information from the institution, conduct site visits and is required to report regularly and to submit a written report at least once a year to the Swedish FSA. The S.O. Act does not provide for any change to the independent inspector's remit upon the bankruptcy of an institution.

7.7 Benefit of a Priority Right in the Cover Pool

Pursuant to the S.O. Act and the Swedish Rights of Priority Act (Sw: *Förmånsrättslagen (1970:979)*), holders of covered bonds benefit from a priority right in the cover pool should the institution be declared bankrupt (Sw: *Försatt i konkurs*). The same priority is awarded to the institution's eligible counterparties to derivative contracts entered into for the purpose of matching the financial terms of the assets in the cover pool with those of the covered bonds. Such derivative counterparties and the holders of covered bonds rank *pari passu* with joint seniority in relation to the cover pool.

By virtue of the aforementioned priority, holders of covered bonds and relevant derivative counterparties rank ahead of unsecured creditors and all other creditors of the institution in respect of assets in the cover pool (except the administrator-in-bankruptcy as regards fees for his administration of assets in the cover pool and costs for such administration and obligations under liquidity loans and other agreements entered into by the administrator-in bankruptcy on behalf of the bankruptcy estate with a view to fulfilling the matching requirements for the cover pool (see further below)). The priority right also covers cash received by an institution and deriving from the cover pool or relevant derivative contracts, provided that certain administrative procedures have been complied with.

Due to what is generally regarded as an oversight in the legislation, there is some uncertainty as to whether a creditor that obtains execution (Sw: *Utmätning*) against an asset in the cover pool earlier than three months before an institution's bankruptcy could defeat the priority afforded to holders of covered bonds and derivative counterparties as regards such asset. However, an execution that is levied less than three months before the institution is declared bankrupt will typically not defeat the priority.

7.8 Administration of the Cover Pool in the Event of Bankruptcy

Should an institution be declared bankrupt, at least one administrator-in-bankruptcy would be appointed by the bankruptcy court and one administrator-in-bankruptcy would be appointed by the Swedish FSA. The administrators-in-bankruptcy would take over the administration of the bankruptcy estate, including the cover pool.

Provided that (and as long as) the cover pool meets the requirements of the S.O. Act (including the matching requirements), the assets in the cover pool, the covered bonds and any relevant derivative contracts that have been entered into the Register are required to be maintained as a unit and kept segregated from other assets and liabilities of the bankruptcy estate of the institution. The administrators-in-bankruptcy are in such case required to procure the continued timely service of payments due under the covered bonds and any relevant derivative contracts. Consequently, the bankruptcy would not as such result in early repayment or suspension of payments to holders of covered bonds or to derivative counterparties, so long as the cover pool continues to meet the requirements of the S.O. Act.

Upon an institution's bankruptcy, neither the institution nor its bankruptcy estate would have the ability to issue further covered bonds. However, the S.O. Act gives the administrators-in-bankruptcy an explicit and broad mandate to enter into loan, derivative, repo and other transactions on behalf of the bankruptcy estate with a view to attaining matching of cash flows, currencies, interest rates and interest periods between assets in the cover pool, covered bonds and derivative contracts. Counterparties in such transactions will rank senior to holders of covered bonds and derivative counterparties. The administrators-in-bankruptcy may also raise liquidity, for example, by selling assets in the cover pool in the market.

If the cover pool ceases to meet the requirements of the S.O. Act, and the deviations are not just temporary and minor, the cover pool may no longer be maintained as a unit and the continuous payment under the terms and conditions of the covered bonds and derivative contracts will cease. The holders of covered bonds and derivative counterparties would in such case instead benefit from a priority right in the proceeds of a sale of the assets in the cover pool in accordance with general bankruptcy rules. This could result in the holders of covered bonds receiving payment according to a schedule that is different from that contemplated by the terms and conditions of the covered bonds (with accelerations as well as delays) or the holders of covered bonds not being paid in full. However, the holders of covered bonds and derivative counterparties would retain the benefit of the right of priority in the assets comprising the cover pool. Any residual claims of the holders of covered bonds and derivative counterparties remain valid claims against the institution, but will rank *pari passu* with other unsecured and unsubordinated creditors of the institution.

8. Subscription and Sale

Instruments and S.O. Bonds may be sold from time to time by the Company to any one or more of Barclays Bank Ireland PLC, Barclays Bank PLC, BNP Paribas, BofA Securities Europe SA, Citigroup Global Markets Europe AG, Citigroup Global Markets Limited, 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, Landesbank Baden-Württemberg, Merrill Lynch International, Natixis, NatWest Markets Plc, Norddeutsche Landesbank - Girozentrale -, RBC Europe Limited, Société Générale, Swedbank AB (publ), UBS AG, UBS Europe SE and UniCredit Bank AG (the “Dealers”) or to any other person or institution. The arrangements under which Instruments and S.O. Bonds may from time to time be agreed to be sold by the Company to, and purchased by, Dealers are set out in an Amended and Restated Dealership Agreement dated 14 May 2019 and made between the Company and the Dealers (as amended and restated or supplemented from time to time, the “Dealership Agreement”). Any such arrangements will, *inter alia*, make provision for the form and terms and conditions of the relevant Instruments or S.O. Bonds, the price at which such Instruments or S.O. Bonds will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Company in respect of such purchase. The Dealership Agreement makes provision for the resignation or renewal of existing Dealers and the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Instruments or S.O. Bonds.

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 Company and its affiliates in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Company and/or its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Company routinely hedge their credit exposure to the Company consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Instruments and/or S.O. Bonds issued under the Programme. Any such short positions could adversely affect future trading prices of Instruments and/or S.O. Bonds issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

8.1 Prohibition of Sales to EEA Retail Investors

Unless the applicable Final Terms in respect of any Instruments or S.O. Bonds (or applicable Pricing Supplement, in the case of Exempt Securities) specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Instruments or S.O. Bonds which are the subject of the offering contemplated by the Base Prospectus as completed by the applicable Final Terms (or applicable Pricing Supplement, as the case may be) in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments or S.O. Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Instruments or S.O. Bonds.

If the applicable Final Terms in respect of any Instruments or S.O. Bonds (or applicable Pricing Supplement, in the case of Exempt Securities) specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme 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 Instruments or S.O. Bonds which are the subject of the offering contemplated by this Base Prospectus 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 Instruments or S.O. Bonds 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 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 Company 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 Instruments or S.O. Bonds referred to in (a) to (c) above shall require the Company 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 Instruments or S.O. Bonds to the public” in relation to any Instruments or S.O. Bonds 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 Instruments or S.O. Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Instruments or S.O. Bonds, 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 (as amended or superseded), and includes any relevant implementing measure in the Relevant Member State.

8.2 The United States of America

The Instruments and S.O. Bonds have not been and will not be registered under the United States Securities Act of 1933 (as amended) (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 the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

Instruments and S.O. Bonds 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 U.S. persons, except in certain transactions permitted by U.S. Treasury regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and Treasury regulations promulgated thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that, except as permitted by the Dealership Agreement, it will not offer, sell or deliver Instruments or S.O. Bonds, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Instruments or S.O. Bonds comprising the relevant Tranche, as certified to the Fiscal Agent or the Company by such Dealer (or in the case of a sale of a Tranche of Instruments or S.O. Bonds to or through more than one Dealer, by each of such Dealers as to Instruments or S.O. Bonds of such Tranche purchased by or through it, in which case the Fiscal Agent or the Company shall notify each such Dealer when all such Dealers have so certified) within the United States or to or for the account or benefit of U.S. persons, and it will have sent to each Dealer to which it sells Instruments or S.O. Bonds during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Instruments or S.O. Bonds within the United States or to or for the account or benefit of U.S. persons. In addition, until 40 days after the commencement of the offering of Instruments or S.O. Bonds comprising any Tranche, any offer or sale of Instruments or S.O. Bonds of such Tranche within the United States by a Dealer whether or not participating in the offering may violate the registration requirements of the Securities Act.

Furthermore, each Series of Instruments or S.O. Bonds will also be subject to such further United States selling restrictions as the Company and the relevant Dealer or Dealers may agree.

8.3 The United Kingdom

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

- (a) *No deposit-taking*: in relation to any Instruments or S.O. Bonds having a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Instruments or S.O. Bonds other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Instruments or S.O. Bonds would otherwise constitute a contravention of Section 19 of the FSMA by the Company;

- (b) *Financial Promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Instruments or S.O. Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and

- (c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Instruments or S.O. Bonds in, from or otherwise involving the United Kingdom.

8.4 Italy

The offering of the Instruments and S.O. Bonds has not been registered with the Commissione Nazionale per la Società e la Borsa (“CONSOB”) pursuant to Italian securities legislation and, accordingly, no Instruments and S.O. Bonds may be offered, sold or delivered, nor may copies of this Base Prospectus or of any other document relating to the Instruments and S.O. Bonds be distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the “Financial Services Act”) and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (“Regulation No. 11971”); or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Instruments and S.O. Bonds or distribution of copies of this Base Prospectus or any other document relating to the Instruments and S.O. Bonds in the Republic of Italy under (i) or (ii) above must:

- (a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the “Banking Act”); and
- (b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

8.5 Japan

The Instruments and S.O. Bonds have not been and will not be registered under the Financial Instruments and Exchange Act 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 will be required to represent and agree, that it has not offered or sold and will not offer or sell any Instruments or S.O. Bonds, 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, or for the benefit of, 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.

8.6 Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that: (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Instruments or S.O. Bonds (except for Instruments or S.O. Bonds which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (“SFO”)) other than (i) to “professional investors” as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies

(Winding-Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of (the “C(WUMP)O”); and (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Instruments or S.O. Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Instruments or S.O. Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

8.7 Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Instruments or S.O. Bonds or caused the Instruments or S.O. Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Instruments or S.O. Bonds or cause the Instruments or S.O. Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Instruments or S.O. Bonds, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Instruments or S.O. Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Instruments or S.O. Bonds pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or

- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

8.8 General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Instruments or S.O. Bonds or has in its possession or distributes such offering material, in all cases at its own expense.

No action has been or will be taken in any country or jurisdiction by the Company or the Dealers that would permit a public offering of Instruments or S.O. Bonds, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Base Prospectus comes are required by the Company and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Instruments or S.O. Bonds or have in their possession or distribute such offering material, in all cases at their own expense.

9. Swedbank Mortgage

Swedbank Mortgage is a wholly-owned subsidiary of Swedbank. As set out in further detail in Article 2A of its Articles of Association, Swedbank Mortgage's business is mortgage lending in Sweden. Swedbank Mortgage operates under the Swedish Banking and Financing Business Act (2004:297).

Swedbank Mortgage is one of Sweden's leading mortgage lenders with a market share of 24 per cent as of 31 December 2018¹ (24 per cent as of 31 December 2017). Its more than one million customers include Swedish homeowners, tenant-owner associations, real estate businesses, municipalities, and agricultural and forestry businesses. Swedbank Mortgage's products primarily consist of loans secured by Swedish residential, agricultural and forest properties.

Swedbank Mortgage was incorporated in Sweden on 19 February 1885 for an unlimited duration as a regional mortgage financing house, specialising in property construction loans in the region of Malmö in southern Sweden.

Swedbank Mortgage is a public limited liability credit market company (Sw: *Kreditmarknadsbolag*), registered with the Swedish Companies Registration Office (Sw: *Bolagsverket*) in Sundsvall under registration number 556003-3283 and with its registered address at SE-105 34 Stockholm, Sweden, telephone number +46 8 5859 0000.

9.1 Products and Services

Swedbank Mortgage lends exclusively in Sweden and primarily provides long-term loans secured by first ranking mortgages on existing properties. More than half of the mortgage loan portfolio consists of loans to owners of single family homes. It also grants loans for multi-family housing, tenant-owner associations, municipalities, commercial properties and to the agriculture and forestry sector. Swedbank Mortgage finances properties and tenant owner rights of up to 85 per cent of their estimated market value.

The loans offered by Swedbank Mortgage can have fixed or variable interest rates and are repaid according to a straight line or serial amortisation schedule or with a single repayment. Maturities vary from 10 to 60 years and the historically observed, typical weighted average life of a loan is around 5-7 years.

9.2 Mortgage Origination

9.2.1 Distribution, Credit Decisions and Pricing

Swedbank Mortgage's loans are distributed by branches (Swedbank and associated independent savings banks) and also by Swedbank's digital channels.

Depending on, among other things, the characteristics of the customer, the mortgage loan application and the collateral, the application may be approved by a credit officer, a branch manager, credit committee or an automated credit decision in accordance with the proper credit approval levels. If the application is approved, the pricing will be set in respect of the mortgage loan on the basis of an internal pricing model. The model will take into account a number of factors; market competition, the cost of funding for Swedbank Mortgage, a customer's business volume, geography, debt-to-income ratio, loan-to-value ratio and whether a customer amortise the loan or not. The mortgage loan documents will automatically be produced following approval.

¹ Swedbank Hypotek AB annual report 2018, www.swedbank.se

9.2.2 Assessment of the Borrower's Ability to Pay

Assessment of the borrower's ability to pay is based on personal information such as age, job status, marital and household status and information about the borrower's income, expenses and current assets and indebtedness. For corporate customers, information about the corporate financial status is obtained from annual and interim reports, budgets, forecasts, etc. Information about the borrower's payment history is also collected, both within the Group and externally.

The customer's ability to repay the loan is determined by a standardised credit-scoring process using data from an internal database for performance history and account information together with external data. These facts are processed through an algorithm and each customer is assigned a probability of default percentage indicating his or her likelihood of default. A high probability of default leads to the application not being approved.

Consumers are also subject to a test of their debt servicing capacity using a model based on the net income and expenses of the borrower's household, taking into account a stressed scenario for affordability including a substantial interest rate increase (presently plus three percentage points above the current five year fixed rate, at a minimum of 7 per cent). Further there is a one per cent amortisation for mortgages with a loan-to-value ratio up to 70 per cent and 2 per cent amortisation for mortgages with a loan-to-value ratio over 70 per cent. There is another one per cent added to the amortisation if the debt-to-income ratio is above 450 per cent. The amortisation for a loan-to-value below 50 per cent remains at 1 per cent since it was already applied before the new requirement.

A loan application will be approved if these tests meet the minimum requirements of the Group, which are based on minimum standard of living levels set by Swedish authorities plus an extra margin added by the Group.

A similar stress test is carried out for corporate customers.

9.2.3 Collateral Valuation

The valuation of a residential property which is pledged as collateral for a mortgage loan is often based on the transaction value. In those cases where a house is purchased at arm's length, the purchase price is considered to provide a sufficiently adequate indication of market value, which is based on the property's long-term market value as determined by an internally or externally appointed appraiser familiar with the local market. When a new mortgage loan is originated without a sale of the property for refurbishment or other purposes, the valuation is performed by an independent source, which could be an internal or external licensed valuer with good local market knowledge. The independent appraisal of the real property assets securing mortgage loans acquired by Swedbank Mortgage is a legal requirement pursuant to Swedish covered bond legislation. The requirement extends to documenting by whom and under what assumptions the valuation was conducted (transaction value analysis, income approach or market approach).

9.3 Loan Administration

The majority of mortgage customers typically pay their interest and principal instalments by direct debit from their current accounts (mandatory for single family home owners). Those who do not use direct debit receive a paper invoice which is then paid by the customer in different ways, usually via giro payment. All loans are recorded directly on Swedbank Mortgage's balance sheet.

For mortgage loans with fixed interest, the interest rate will stay the same during the fixed rate period of one to ten years, after which the interest rate will be set depending on the funding cost and market competition, and is often renegotiated. The interest rate framework is decided by Swedbank Mortgage, whereas the final price given to the customer is a local decision and hence set by the distributing branch or savings bank.

9.4 *Management*

Swedbank Mortgage's Board of Directors comprises five members, elected at the Annual General Meeting. The current members of Swedbank Mortgage's Board of Directors are set out below:

Name	Year of birth	Board member since	Position
Leif Karlsson.....	1966	2014	Chair
Malin Hlawatsch	1971	2016	Member
Johan Smedman	1964	2015	Member
Gunilla Domeij-Hallros.....	1961	2011	Member
Eva de Falck.....	1960	2012	Member

The address for each member is the registered address of Swedbank Mortgage at SE-105 34 Stockholm, Sweden.

There are no potential conflicts of interest between any duties owed to Swedbank Mortgage by any of the Board of Directors of Swedbank Mortgage and their private interests or other duties.

9.5 *Auditor*

At the Annual General Meeting ("AGM") on 28 March 2018, Deloitte AB, Stockholm, Sweden was elected as Auditor of Swedbank Mortgage for the period ending at the AGM in 2019. During 2018, Malin Luning was replaced by Authorised Public Accountant Patrick Honeth as the responsible Auditor of Swedbank Mortgage. Patrick Honeth is a member of FAR, the professional institute for authorised public accountants (Sw: *auktoriserade revisorer*), approved public accountants (Sw: *godkända revisorer*) and other highly qualified professionals in the accountancy sector in Sweden. At the 2019 AGM, PwC Sverige AB was elected as auditor for the period until the end of the 2023 AGM. Anneli Granqvist is the Chief Auditor and is also a member of FAR.

10. The Swedbank Group

10.1 Overview

Swedbank is a public limited liability bank company (Sw: Bankaktiebolag) incorporated under the laws of the Kingdom of Sweden and headquartered in Stockholm. It has its registered office at SE 105 34 Stockholm, with its head office at Landsvägen 40, 172 63 Sundbyberg and its telephone number is +46 (0)8 5859 0000. It has been registered in the Swedish Companies Registration Office in Sundsvall under registration number 502017-7753. Swedbank's shares are listed on NASDAQ OMX Stockholm. Swedbank was incorporated on 24 April 1942. Swedbank operates under the Swedish Banking and Financing Act (2004:297).

As of 31 December 2018, the Group served a total of 7.3 million private customers and more than 600,000 corporate customers and organisations through more than 300 branches in 11 countries, primarily in its principal markets of Sweden, Estonia, Latvia and Lithuania. This includes customers reached through 58 associated independent savings banks that collaborate with Swedbank. The terms of such collaboration are governed by a common framework agreement which is agreed with the national association of savings banks, Sparbankernas Riksförbund, with each savings bank signing up to this agreement individually.

As set out in Article 1 of its Articles of Association, the purpose of the Group is to conduct a banking business and financing operations, and operations naturally connected therewith. The Group offers a broad range of products and services, including retail banking, corporate and investment banking, asset management and insurance products, and the majority of the Group's income in 2018 derived from its Swedish banking services. As of 31 December 2018, the Group's loans to the public, excluding the Swedish National Debt Office and repurchase agreements, amounted to SEK 1,578 billion. The Group recorded SEK 27,387 million in profit before impairments for the year ended 31 December 2018 and SEK 25,788 million in profit before impairments for the year ended 31 December 2017. Credit impairments for the year ended December 31, 2018 amounted to SEK 521 million. The Group recorded impairment of intangible assets by SEK 306 million for the year ended 31 December 2018. Net profit attributable to the shareholders of Swedbank for the year ended 31 December 2018 amounted to SEK 21,162 million and SEK 19,350 million for the year ended 31 December 2017. As of 31 December 2018, the Group had 14,865 full-time employees.

The Group has a history dating back to 1820 when the first savings bank was founded in Sweden. In the early 1990s, each of Sparbanken Sverige and Föreningsbanken was merged with a number of regional savings banks and regional agricultural co-operative banks, respectively. In 1997, Sparbanken Sverige and Föreningsbanken merged to form FöreningsSparbanken. FöreningsSparbanken changed its name to Swedbank in 2006. Swedbank expanded its operations into the Baltic countries (Estonia, Latvia and Lithuania) in 1996 when it acquired a 12.5 per cent stake in Eesti Hoiupank, a bank that merged with Hansabank in 1998. In 1999, Swedbank acquired additional shares, resulting in a 50 per cent ownership of the shares in Hansabank and, in 2005, acquired all outstanding shares in Hansabank (now Swedbank AS). The Group consists of four business segments: Swedish Banking, Baltic Banking, LC&I and Group Functions & Other.

10.2 Shareholders

Largest shareholders as of 31 March 2019, owner grouped*

% of capital and votes	2019
Sparbanks-Gruppen – Members	10.78
Folksam	6.97
ALECTA PENSION INSURANCE	4.84
Swedbank Robur Funds	4.77
AMF Insurance & Funds	4.71
Savings bank foundations – not Sparbanks-Gruppen	3.42

% of capital and votes	<u>2019</u>
BlackRock	2.65
Vanguard	2.61
Norges Bank	2.32
SWEDBANK AB	1.62
10 largest shareholders	44.69
Number of shareholders	339,821

*Owner names in lower case letters are grouped owners. Owner names in upper case letters are non-grouped owners.

10.3 Strategy

Swedbank has a customer-centric strategy based on four factors: an available full-service bank, offerings based on customer needs, high cost efficiency and low risk. The strategy is based on Swedbank's vision to enable people, businesses and society to grow and, at the same time, promoting a sound and sustainable financial situation for the many households and businesses.

10.3.1 Available Full-Service Bank

Swedbank offers households, institutions, and businesses, both large and small, an accessible full-service bank in its four home markets: Sweden, Estonia, Latvia and Lithuania. Swedbank offers its customers a range of banking services, everything from basic transactions to sophisticated advisory services, and also provides customers with a large, modern distribution network, making it easy for a broad base of customers to manage their finances. Swedbank provides efficient digital solutions for day-to-day financial needs and comprehensive advice through direct contact with Swedbank employees.

10.3.2 Offerings based on customer needs

Products which reflect customer needs and expectations are crucial to Swedbank's success. Digitisation increases opportunities to meet each customer's specific needs with the right offering. Swedbank creates better targeted offerings by analysing customer data and using each advisor's experiences and knowledge.

10.3.3 Low Risk

The foundation for Swedbank's sustainable growth is a low risk profile. Swedbank's lending is financed through deposits and capital market funding. Current low financing costs are the result of stable profitability in combination with high-quality lending and solid capitalisation. This is a prerequisite for winning the trust of the capital markets and benefits all of Swedbank's stakeholders. Maintaining stable earnings over time requires not only a low risk level, where each borrower's solvency, solidity and collateral are carefully assessed, but also the ability to quickly adapt to market conditions and changing customer preferences.

10.3.4 High Cost Efficiency

Cost efficiency is of growing importance due to changes in the banking market and Swedbank aims to be a market leader in cost efficiency. Understanding Swedbank's customers' needs and the impact of tied-up capital helps Swedbank to better manage capital efficiency. Swedbank also strives to do things better, more simply, and more efficiently. Another important factor in increasing cost efficiency is a corporate culture where all employees are aware of and cautious about spending. The more cost-effective Swedbank is, the more value it believes it can create for customers through greater investment opportunities.

10.4 Business Segments

The Group is comprised of four business segments.

10.4.1 Swedish Banking

Swedish Banking is the Group's largest business segment, offering a complete range of financial products and services to private customers as well as small and medium-sized companies through 186 branches as well as through telephone and internet banking. Through co-operation with local associated independent savings banks and partly-owned banks, the Group also offers its products through 208 additional branches, as of 31 December 2018. Swedish Banking is supported by a number of subsidiaries in Sweden such as Swedbank Mortgage (responsible for long-term mortgage lending) and Swedbank Robur (fund management and institutional and discretionary asset management). In April 2019, Swedbank announced that Mikael Björknert, Chief Strategy Officer, had been appointed as acting Head of Swedish Banking.

10.4.2 Baltic Banking

Baltic Banking offers a broad range of financial products and banking services, including mortgages, business and consumer loans, savings and current accounts, life insurance and leasing in Estonia, Latvia and Lithuania through 125 branches as of 31 December 2018 as well as through telephone and internet banking.

The Group holds leading positions in several key market segments in its Baltic home markets.¹

10.4.3 Large Corporates & Institutions

LC&I is responsible for Swedbank's products and services for the largest companies and financial institutions. LC&I offers everything from traditional bank lending advice to liquidity management, trading in financial instruments and analysis. LC&I is also responsible for developing corporate and capital market products for Swedish and Baltic Banking and the savings banks. LC&I is present in Sweden, Norway, Estonia, Latvia, Lithuania, Finland, Luxembourg, China, the United States and South Africa. Loans to the public in LC&I represented SEK 260,081 million of the Group's SEK 1,627,368 million total loans to the public outstanding as of 31 December 2018.

10.4.4 Group Functions & Other

Group Functions & Other consists of centralised business support units and the product areas, Group Savings and Group Lending & Payments. The central units provide strategic and administrative support, comprising Accounting & Finance, Communication, Risk, IT, Compliance, Public Affairs, Human Resources and Legal. Group Treasury sets the prices on all internal deposit and loan flows in the Group through internal interest rates, the most important parameters of which are maturity, interest fixing period, currency and the need for liquidity reserves.

10.5 Products and Services

10.5.1 Mortgage Lending Products

The products offered primarily consist of loans secured by mortgages over underlying residential, agricultural and forest properties. Consumer real estate loans include fixed and variable rate loans for home purchase and refinancing needs.

Both Swedbank and Swedbank Mortgage originate mortgages. Swedbank Mortgage is responsible for the origination of standard mortgage loans with up to an 85 per cent LTV ratio, whereas Swedbank is

¹ Swedbank estimates based on: (1) management accounts as to Swedbank presence, (2) Estonian Central Bank data as to Estonian market size, (3) Association of Commercial Banks of Latvia and The Financial and Capital Market Commission (Latvia) data as to Latvian market size and (4) Association of Lithuanian Banks data as to Lithuanian market size.

responsible for originating other loans including uncollateralised loans. The volume-weighted average LTV ratio in Swedbank Mortgage's private residential loan portfolio was 55 per cent as of 31 December 2018, calculated on a property level (which gives effect to multiple mortgage loans on a given property). To benefit customers by offering a broad range of home buying services and reducing costs, while creating the opportunity to acquire profitable new businesses in this segment, the Group creates economies of scale by co-operating with a number of partners including Swedbank's subsidiary, Swedbank Fastighetsbyrå, various home builders and other construction companies.

Swedbank Mortgage's products primarily consist of loans secured by Swedish residential, agricultural and forest properties.

Swedbank Mortgage lends exclusively in Sweden and primarily provides long-term loans secured by first ranking mortgages on existing properties. More than half of Swedbank Mortgage's mortgage loan portfolio consists of loans to owners of single-family homes. It also grants loans for tenant-owner rights, multi-family housing, tenant-owner associations, municipalities, commercial properties and to the agriculture and forestry sector.

Loans for single-family homes are primarily secured by first ranking mortgages and have interest rates fixed for between 60 days and 10 years. Swedbank Mortgage's loans are either interest-only loans or amortised over 10-60 years. Swedbank Mortgage's lending to single-family housing is limited to 85 per cent of the market value of the property. Loans may be granted to applicants who have a prior ranking mortgage over their property with another lender, provided that the aggregated amount and ranking of the prior ranking mortgage and the Group's own exposure under its mortgage is not higher than 85 per cent of the value of the mortgaged property.

10.5.2 Corporate Banking Products

The Group offers a full range of corporate banking products and services for small and medium-sized business clients and large and multinational corporate customers, including financing, cash management, leasing products, investment and risk-management services. In addition, the Group offers mortgage lending and lending to the agricultural and forestry industries through Swedbank Mortgage.

The products offered include corporate loans as well as credit facilities adapted to meet the customers' needs. Real estate loans are primarily aimed at public and private developers, home builders and commercial real estate companies.

10.5.3 Investment Banking Products

The Group offers equity, fixed income and currency trading, project, export and acquisition financing and corporate services as part of its LC&I business.

10.5.4 Consumer Lending Products

The Group offers a range of personal loans, both secured and unsecured, to its retail customers. These can be made for specific purposes, such as vehicle loans, or as general purpose personal loans.

10.5.5 Savings and Investment Products

The Group offers a comprehensive range of deposit-related products, including traditional savings accounts and current accounts tailored to different customer segments. Through asset management and Insurance, the Group offers its customers a comprehensive range of investment products, including equity funds, fixed income funds, insurance products and individual pension savings products.

10.5.6 Payment Services

The Group offers a broad range of payment products, including debit, transaction services and card infrastructure and, as of 31 December 2018, the Group had 8.1 million bank cards in circulation. In retail transactions, the Group emphasises convenience and time saving by making automatic payment options available to the Group's customers through direct debit or other electronic channels, such as e-bills or mobile and card payments. For corporate cash management, the focus is on offering clients a packaged, integrated solution.

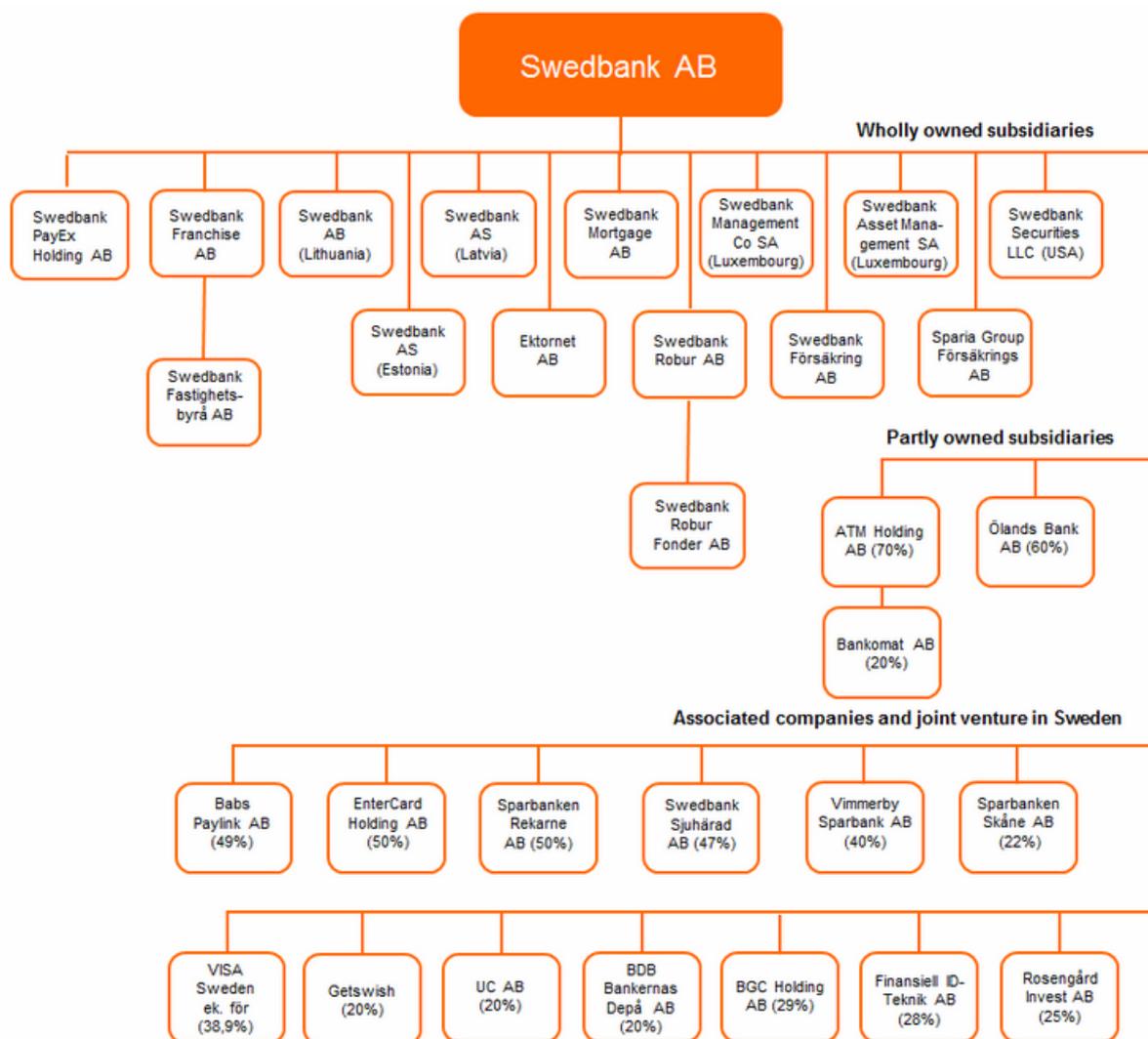
10.6 Key Geographic Markets and Competition

The Group currently operates in four geographic home markets: Sweden, Estonia, Latvia and Lithuania. To support business in these markets, the Group has established branches in neighbouring markets such as Finland, Norway and Denmark, as well as in major markets of financial importance such as in the United States (where the Group has both a branch and a subsidiary) and China (where the Group has a branch). The Group also has a branch in Luxembourg and a representative office in South Africa.

Below is a chart showing Swedbank's corporate structure as of the date of this Base Prospectus.

Legal structure

Swedbank Group



10.6.1 Sweden

The banking sector is fairly concentrated in the Group's home markets. In Sweden, the Group, Svenska Handelsbanken, Nordea and SEB accounted for approximately 70 per cent of deposits and lending in 2018, according to the Swedish Central Bank. These major banks offer a wide range of financial products and services and compete in all key product segments. In Sweden, the Group is the largest retail bank and has a leading market position in private mortgage lending (24 per cent) and deposits from private customers (20 per cent) as of 31 December 2018¹.

10.6.2 Estonia

The Estonian banking sector is even more concentrated than Sweden's. The market is dominated by foreign banks. In Estonia, the Group had a market share of 55 per cent for deposits and private customers and 47

¹ Statistics Sweden.

per cent for lending as of 31 December 2018. In the Estonian corporate market, the Group's market share was 37 per cent for lending and 47 per cent for deposits as of 31 December 2018.¹

10.6.3 Latvia

Latvia has a more fragmented market where local banks account for 30 to 70 per cent of the various segments. As of 31 December 2018, the Group had a market share of 34 per cent of private deposits and 33 per cent of private lending. In the corporate market, the market share was 25 per cent for deposits as of 31 December 2018.²

10.6.4 Lithuania

Like Sweden, the banking market in Lithuania is dominated by a few major players. As of 30 September 2018, the Group had a market share of 42 per cent of private deposits and 35 per cent of private lending. In the corporate market, the Group's share was 19 per cent for lending and 27 per cent for deposits as of 30 September 2018.³

10.7 Information Technology

10.7.1 Overview

Group IT is a common Group function serving the Group in Sweden and the Baltic countries. In addition, Group IT provides IT services to those associated independent savings banks in Sweden co-operating with the Group and which offer mortgage loans funded by Swedbank Mortgage.

Customers can now satisfy most of their routine banking requirements through alternate channels such as ATMs, debit cards, telephone banking, the internet and mobile devices. The Group's digital bank services have approximately 5.1 million digitally active customers. Through information and a differentiated pricing model, the Group intends to make it easier for customers to select the most effective way to communicate with Swedbank for a variety of matters, as evidenced, for example, by a number of new digital functions launched by Swedbank in 2018, which make everyday banking easier for customers.

10.8 Risk Management

Swedbank defines risk as a potentially negative impact on Swedbank's value that can arise due to ongoing internal processes or future internal or external events. The concept of risk includes the probability that an event will occur and the impact that this event could have on Swedbank's results, equity or value.

Risk arises in all financial operations, hence a profound understanding and solid management of risk is central for any successful business. A strong risk culture throughout Swedbank serves as the foundation for efficient risk management and, consequently, a strong risk-adjusted return.

The Board of Directors has the ultimate responsibility for Swedbank's risk-taking and capital assessment. Through the Policy on Enterprise Risk Management (ERM), the Board provides guidelines for the CEO on risk management and risk control, and how these functions should support the business strategy. Furthermore, the policy stipulates Swedbank's risk appetite, the concept of three lines of defence, the fundamental principles of risk management as well as roles and responsibilities within the risk organisation.

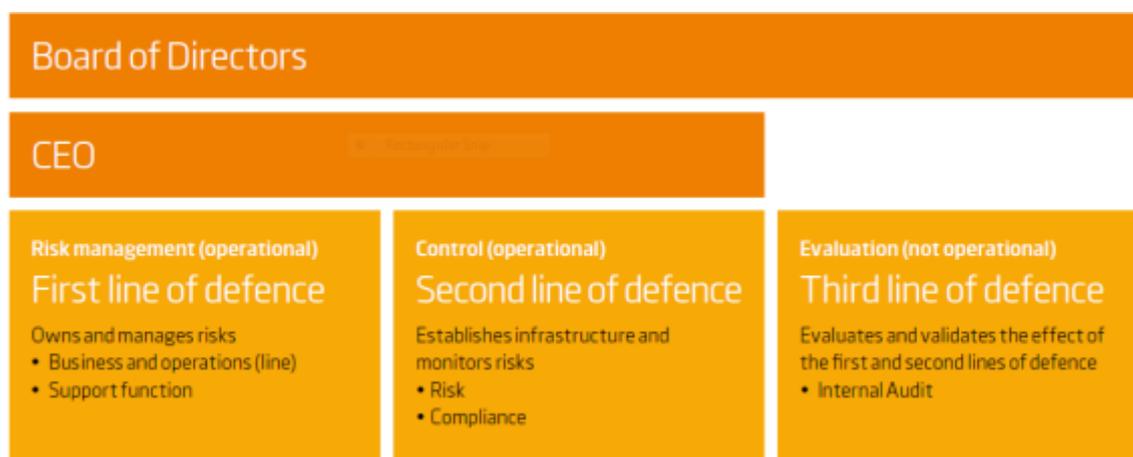
¹ Estonian Banking Association.

² Association of Latvian Commercial Banks.

³ Association of Lithuanian Banks.

10.9 The Group's Risk Management Builds on Three Lines of Defence

Successful risk management requires a strong risk culture and a common approach. Swedbank has built its approach to risk management on the concept of three lines of defence, signifying a clear division of responsibilities between the risk owners and control functions, i.e. Group Risk, Swedbank Compliance, and Internal Audit.



10.10 Three levels of risk management

10.10.1 First Line of Defence – Risk Management by Business Operations

The operational business units constitute the first line of defence, which means the business units themselves are responsible for managing the business driven risks. The responsibility of the operational business units is to implement risk assessment (including risks attributable to non-compliance), report, and handle risks and violations of internal or external regulations. This includes valuation and measurement of these risks, as well as implementing control documents for business unit on an on-going basis to ensure that external and internal rules are complied with.

10.10.2 Second Line of Defence – Risk and Control Functions

The second line of defence is responsible for independent follow-up of risks and compliance as well as for a comprehensive analysis and reporting of Swedbank's risks. It maintains principles and frameworks for first line risk management as well as conducting independent validation of methods and models for risk measurement and control, and validation of adequacy risk mitigation. Swedbank's second line of defence consists of Group Risk and Group Compliance.

10.10.3 Third Line of Defence – Internal Audit

The third line of defence is the part of the organisation that is responsible for the independent evaluation (review) of the work in both first and second lines of defence. Internal audit is the third defence line. Internal audit is wholly independent, with a reviewing and, to a certain amount, an advisory function, which has the task of evaluating and thereby improving operations in Swedbank. The internal audit function is a direct subordinate to the Board of Swedbank and is organisationally separated from the bank's other activities.

10.11 Corporate Governance

Swedbank's corporate governance policies are designed to create a sound and effective corporate culture that fosters trust as well as customer and shareholder value. To be successful, Swedbank's governance requires that its employees are familiar with, and work together to achieve, its common goals. For this

purpose, the Group's Board of Directors prepares a corporate governance report in accordance with the SCCG.

During 2018, Swedbank launched a review of its corporate governance, policies and operational processes from the standpoint of climate change. The bank has also begun identifying risks and opportunities based on various scenarios and how these scenario analyses feed into the business plans ratified by the Board.

Swedbank considers good corporate governance, risk management and internal control to be key elements for a successful business. They are prerequisites for maintaining the trust of customers, shareholders, governmental or regulatory authorities and other stakeholders. Swedbank defines corporate governance as the relationship between shareholders, executive management, employees, the Group and other stakeholders.

Swedbank's governance model and operational structure are designed to ensure that all employees work towards Swedbank's common goals that support its purpose: achieving sound and sustainable financial situations for households and businesses.

11. Form of Final Terms

Set out below is the form of Final Terms which will be completed for each Tranche of Instruments or S.O. Bonds (other than Exempt Securities) issued under the Programme.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The [Instruments/S.O. Bonds] are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended) (“MiFID II”); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive (as defined below). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended) (the “PRIIPs Regulation”) for offering or selling the [Instruments/S.O. Bonds] or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the [Instruments/S.O. Bonds] or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[MiFID II product governance / Professional investors and eligible counterparties only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the [Instruments/S.O. Bonds] has led to the conclusion that: (i) the target market for the [Instruments/S.O. Bonds] is eligible counterparties and professional clients only, each as defined in [MiFID II/Directive 2014/65/EU (as amended) (“MiFID II”)]; and (ii) all channels for distribution of the [Instruments/S.O. Bonds] to eligible counterparties and professional clients are appropriate. [*Details of any negative target market to be included if applicable*]. Any person subsequently offering, selling or recommending the [Instruments/S.O. Bonds] (a “distributor”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the [Instruments/S.O. Bonds] (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[MiFID II product governance / Retail investors, professional investors and eligible counterparties – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the [Instruments/S.O. Bonds] has led to the conclusion that: (i) the target market for the [Instruments/S.O. Bonds] is eligible counterparties, professional clients and retail clients, each as defined in [MiFID II/Directive 2014/65/EU (as amended) (“MiFID II”)]; *EITHER* [and (ii) all channels for distribution of the [Instruments/S.O. Bonds] are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] *OR* [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the [Instruments/S.O. Bonds] to retail clients are appropriate – investment advice[,/and]portfolio management[,/and][non-advised sales][and pure execution services][, subject to the distributor’s (as defined below) suitability and appropriateness obligations under MiFID II, as applicable]]. [*Details of any negative target market to be included if applicable*]. Any person subsequently offering, selling or recommending the [Instruments/S.O. Bonds] (a “distributor”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the [Instruments/S.O. Bonds] (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels[, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable].]

[Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the "SFA") – [In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Company has determined, and

hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Instruments are capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and are Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)¹ / [In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the S.O. Bonds are prescribed capital markets products (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)^{2,3}

[IMPORTANT NOTICE

In accessing the attached final terms (the "Final Terms") you agree to be bound by the following terms and conditions.

The information contained in the Final Terms may be addressed to and/or targeted at persons who are residents of particular countries only as specified in the Final Terms and/or in the Base Prospectus (as defined in the Final Terms) and is not intended for use and should not be relied upon by any person outside those countries and/or to whom the offer contained in the Final Terms is not addressed. **Prior to relying on the information contained in the Final Terms, you must ascertain from the Final Terms and/or the Base Prospectus whether or not you are an intended addressee of the information contained therein.**

Neither the Final Terms nor the Base Prospectus constitutes an offer to sell or the solicitation of an offer to buy securities in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities law of any such jurisdiction.

The securities described in the Final Terms and the Base Prospectus have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold directly or indirectly within the United States or to, or for the account or benefit of, U.S. persons or to persons within the United States of America (as such terms are defined in Regulation S under the Securities Act ("Regulation S")). The securities described in the Final Terms will only be offered [(i)*] in offshore transactions to non-U.S. persons in reliance upon Regulation S [and (ii) to qualified institutional buyers (within the meaning of Rule 144A under the Securities Act ("Rule 144A")) in reliance upon Rule 144A*].]

Final Terms dated []

SWEDBANK MORTGAGE AB (publ)

Legal Entity Identifier (LEI): 549300TJREQ7GHIXWR36

Issue of [Aggregate Nominal Amount of Tranche] [Title of Instruments/S.O. Bonds]

¹ Legend to be included on front of the Final Terms if the Company has re-classified the Instruments as "capital markets products other than prescribed capital markets products" and "Specified Investment Products" pursuant to Section 309B of the SFA prior to the launch of the offer, and the Instruments are to be offered in Singapore.

² Legend to be included on front of the Final Terms if the Company has re-classified the S.O. Bonds as "prescribed capital markets products" and "Excluded Investment Products" pursuant to Section 309B of the SFA prior to the launch of the offer and the S.O. Bonds are to be offered in Singapore.

³ Relevant Dealer(s) to consider whether it / they have received the necessary product classification from the Company prior to the launch of the offer, pursuant to Section 309B of the SFA.

* Insert for 144A securities only.

under the €25,000,000,000 Programme for the Issuance of Debt Instruments and S.O. Bonds

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the relevant terms and conditions set forth in the Base Prospectus dated 14 May 2019 (the “Base Prospectus”) [as supplemented by the supplement[s] dated [] [and []]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. For the purposes of these Final Terms, “Prospectus Directive” means Directive 2003/71/EC (as amended or superseded), and includes any relevant implementing measure in a relevant Member State. This document constitutes the Final Terms of the [Instruments/S.O. Bonds] described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as so supplemented]. Full information on Swedbank Mortgage AB (publ) (the “Company”) and the offer of the [Instruments/S.O. Bonds] is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplement[s]] [has] [have] been published on the website of the Central Bank of Ireland at <https://www.centralbank.ie/regulation/industry-market-sectors/securities-markets/prospectus-regulation/prospectuses> [and on the website of the Irish Stock Exchange plc trading as Euronext Dublin at www.ise.ie] and copies may be obtained during normal business hours, free of charge, from the offices of the Company at SE-105 34 Stockholm, Sweden and from the specified office of the Fiscal Agent at [].]

[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 guidance for completing the Final Terms.]

[When completing any final terms, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

[If the Instruments/S.O. Bonds have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

1. Company: Swedbank Mortgage AB (publ)
2. (i) Series Number: []
(ii) Tranche Number: []
(iii) Date on which the [Instruments/S.O. Bonds] will be consolidated and form a single Series: [The [Instruments/S.O. Bonds] will be consolidated and form a single Series with [] on [the Issue Date/exchange of the Temporary Global [Instrument/S.O. Bond] for interests in the Permanent Global [Instrument/S.O. Bond], as referred to in paragraph 21 below, which is expected to occur on or about []]] [Not Applicable]
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount: []
(i) Series: []

- (ii) Tranche: []
5. Issue Price: [] per cent of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
6. (i) Specified Denomination(s): []
[]
- (N.B. Where multiple denominations above €100,000 or its equivalent in other currencies 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 [Instruments/S.O. Bonds] in definitive form will be issued with a denomination above [€199,000].”¹*
- (ii) Calculation Amount: []
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations.)*
7. (i) Issue Date: []
- (ii) Interest Commencement Date: [[]/Issue Date/Not Applicable]
8. Maturity Date: [Specify date or (for Floating Rate Instruments/ S.O. Bonds) Interest Payment Date falling in or nearest to the relevant month and year]
9. Interest Basis: [[] per cent Fixed Rate]
- [[] month [LIBOR/EURIBOR/STIBOR/NIBOR/ CIBOR/TIBOR/HIBOR] +/- [] per cent Floating Rate]
- [Zero Coupon]
10. Redemption/Payment Basis: Subject to any purchase and cancellation [or early redemption], the [Instruments/S.O. Bonds] will be redeemed on the Maturity Date at [100] per cent of their nominal amount
11. Change of Interest Basis or Redemption/Payment Basis: [Not Applicable] [Specify details of any provision for conversion of Instruments/S.O. Bonds into another

¹ Not applicable if Instruments/S.O. Bonds being issued are in registered form.

interest basis by cross-referring to paragraphs 14 and 15 below.]

12. Put/Call Options: [Company Call]/[Investor Put]²/[Not Applicable]
[(see paragraph [17/18] below)]
13. [(i)] Status of the [Instruments/ S.O. Bonds]: [Unsubordinated/The S.O. Bonds are unsubordinated obligations issued in accordance with the Swedish Act (2003:1223) on Issuance of Covered Bonds (Sw: *Lagen (2003:1223) om utgivning av säkerställda obligationer*)]
- (ii) [Date [Board] approval for issuance of [Instruments/S.O. Bonds] obtained:] []
(N.B. Only relevant where Board (or similar) authorisation is required for the particular Tranche of Instruments/S.O. Bonds)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate [Instrument/S.O. Bond] [Applicable/Not Applicable]
Provisions (Condition 4A)
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate(s) of Interest: [] per cent per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [] [and []] in each year, from and including [], up to and including the Maturity Date
(N.B. This will need to be amended in the case of long or short coupons)
- (iii) Fixed Coupon Amount(s): [] per Calculation Amount
(Applicable to [Instruments/S.O. Bonds] in definitive form)
- (iv) Broken Amount(s): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []]/[Not Applicable]
(Applicable to [Instruments/S.O. Bonds] in definitive form)
- (v) Day Count Fraction: [30/360]
[Actual/Actual (ICMA)]
- (vi) Determination Dates: [] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.*

² Only applicable for Instruments

N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration

N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)

15. Floating Rate [Instruments/S.O. Bond] Provisions (Condition 4B) [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs 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) Business Centre(s): []
 - (iv) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
 - (v) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent): [[Name] shall be the Calculation Agent]/[Not Applicable]
 - (vi) Screen Rate Determination:
 - Reference Rate, Relevant Time and Relevant Financial Centre: Reference Rate: [] month [LIBOR/EURIBOR/STIBOR/NIBOR/CIBOR/TIBOR/HIBOR]
Relevant Time: [[] in the Relevant Financial Centre/As per Condition 4B(ii)]
Relevant Financial Centre: [London /Brussels/Stockholm/Oslo/Copenhagen/Tokyo/Hong Kong]
 - 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]

[First day of each Interest Period]

[Second Tokyo business day prior to the start of each Interest Period]

[First day of each Interest Period]

[[] days prior to the start of each Interest Period]

(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or Euro LIBOR), first day of each Interest Period if Sterling LIBOR, the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or Euro LIBOR, the second Stockholm business day prior to the start of each Interest Period if STIBOR, the second Oslo business day prior to the start of each Interest Period if NIBOR, the first day of each Interest Period if CIBOR, the second Tokyo business day prior to the start of each Interest Period if TIBOR and the first day of each interest period if HIBOR)

– Relevant Screen Page: []

(In the case of EURIBOR, if not Reuters Screen EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

(vii) ISDA Determination:

– Floating Rate Option: []

– Designated Maturity: []

– Reset Date: []

(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)

(N.B. The fallback provisions applicable to ISDA Determination under 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time)

(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: [] per cent per annum
- (xi) Maximum Rate of Interest: [] per cent per annum
- (xii) Day Count Fraction: [Actual/Actual (ISDA)] [Actual/Actual]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360] [360/360] [Bond Basis]
[30E/360] [Eurobond Basis]
[30E/360 (ISDA)]

- (xiii) Benchmark Discontinuation: [Applicable/Not Applicable]

16. Zero Coupon [Instrument/S.O. Bond] Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs 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

17. Company Call [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s): [] per Calculation Amount
- (iii) If redeemable in part:

- (a) Minimum Redemption Amount: []
- (b) Maximum Redemption Amount: []
- (iv) Notice period (if other than as set out in the Conditions): []

(N.B. If setting notice periods which are different to those provided in the Conditions, the Company is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Company and the Fiscal Agent)

18. Investor Put³ [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s): [] per Calculation Amount
- (iii) Notice period (if other than as set out in the Conditions): []

(N.B. If setting notice periods which are different to those provided in the Conditions, the Company is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Company and the Fiscal Agent)

19. Final Redemption Amount: [] per Calculation Amount

20. Early Redemption Amount:⁴

Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default: [[] per Calculation Amount/[Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE [INSTRUMENTS/S.O. BONDS]

21. Form of [Instruments/S.O. Bonds]:

³ Select "Not Applicable" in the case of S.O. Bonds
⁴ Not applicable to S.O. Bonds

(i) Form:

[Bearer Instruments/S.O. Bonds:

[Temporary Global [Instrument/S.O. Bond] exchangeable for a Permanent Global [Instrument/S.O. Bond] on and after the Exchange Date which is exchangeable for definitive [Instruments/S.O. Bonds] [upon 45 days' written notice (expiring after the Exchange Date)] [upon 45 days written notice (expiring after the Exchange Date) only upon the occurrence of an Exchange Event].]

[Temporary Global [Instrument/S.O. Bond] exchangeable for definitive [Instruments/S.O. Bonds] on and after the Exchange Date.]

(In relation to issues of Instruments/S.O. Bonds which are represented by a Temporary/Permanent Global Instrument/S.O. Bond exchangeable for Definitive Bearer Instruments/S.O. Bonds, the following construction may not be used in paragraph 6: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000])."]

[Registered Instruments/S.O. Bonds:

[Restricted Registered Global [Instrument/S.O. Bond] registered in the name of a nominee for DTC (*specify nominal amounts*)]

[Unrestricted Registered Global [Instrument/S.O. Bond] registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (*specify nominal amounts*)]

(ii) New Global [Instruments/S.O. Bonds]: [Yes/No]

22. Financial Centre(s): [Not Applicable/*give details*]

(Note that this item relates to the date and place of payment, and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which item 15(iii) relates)

23. Talons for future Coupons to be attached to Definitive [Instruments/S.O. Bonds]: [Yes/No]

24. Third Party Information:

[[] has been extracted from []. The Company 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 [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]/[Not Applicable]

Signed on behalf of the Company:

By:
Duly authorised

[By:
Duly authorised]

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: Official List of Euronext Dublin
- (ii) Admission to trading: Application has been made for the [Instruments/S.O. Bonds] to be admitted to trading on the Regulated Market of Euronext Dublin with effect from, or from about, []
- (iii) Estimate of total expenses related to [] admission to trading:

2. BENCHMARKS REGULATION (*Floating Rate [Instruments/S.O. Bonds] calculated by reference to a benchmark only*)

[Amounts payable under the [Instruments/S.O. Bonds] will be calculated by reference to [LIBOR/EURIBOR/STIBOR/NIBOR/CIBOR/TIBOR/HIBOR] which is provided by [*legal name of the benchmark administrator*]. As at the date of this Final Terms, [*legal name of the benchmark administrator*] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011.

[As far as the Company is aware, [LIBOR/EURIBOR/STIBOR/NIBOR/CIBOR/TIBOR/HIBOR] [does not fall within the scope of Regulation (EU) 2016/1011 by virtue of Article 2 of that regulation/the transitional provisions in Article 51 of Regulation (EU) 2016/1011 apply] such that [*legal name of the benchmark administrator*] is not currently required to obtain authorisation or registration (or, if located outside the EU, recognition, endorsement or equivalence).]

3. RATINGS

Ratings

[The [Instruments/S.O. Bonds] 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 [Instruments/S.O. Bonds] of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

[[*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).]

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

[Save for any fees payable to the [managers/dealers], so far as the Company is aware, no person involved in the offer of the [Instruments/S.O. Bonds] 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 Company and its affiliates in the ordinary course of business.]

5. [Fixed Rate Instruments/S.O. Bonds only – YIELD

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.]

6. OPERATIONAL INFORMATION

(i) ISIN Code: []

(ii) Common Code: []

(iii) CFI [[See/[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(iv) FISN [[See/[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(v) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. (together with the address of such clearing system) and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]

(vi) Delivery: Delivery [against/free of] payment

(vii) Names and addresses of additional Transfer Agents and/or Paying Agent(s) (if any): [] / [None]

(viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]
 [Yes. Note that the designation "yes" simply means that the [Instruments/S.O. Bonds] are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, that is, held under the NSS.] [*include this text for Registered Instruments/S.O. Bonds which are to be held under the NSS*] and does not necessarily mean that the [Instruments/S.O. Bonds] will be recognised as eligible collateral for

Eurosystem monetary policy and intraday 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 these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the [Instruments/S.O. Bonds] are capable of meeting them the [Instruments/S.O. Bonds] may then be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, that is, held under the NSS *[include this text for Registered Instruments/S.O. Bonds which are to be held under the NSS]*. Note that this does not necessarily mean that the [Instruments/S.O. Bonds] will then be recognised as eligible collateral for Eurosystem monetary policy and intraday 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.]

7. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/*give names*]
- (iii) Date of Subscription Agreement: []
- (iv) Stabilisation Manager(s) (if any): [Not Applicable/*give names*]
- (v) If non-syndicated, name of Dealer: [Not Applicable/*give name*]
- (vi) Whether TEFRA D rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA not applicable]
- (vii) Prohibition of Sales to EEA Retail Investors: [Not Applicable]

(If the Instruments/S.O. Bonds clearly do not constitute "packaged" products, "Not Applicable" should be specified.)

[Applicable]

(If the Instruments/S.O. Bonds may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)

8. REASONS FOR THE OFFER

Reasons for the offer:

[Not Applicable]

(See "Use of Proceeds" wording in the Base Prospectus – if reasons for the offer are different from general business purposes, will need to include those reasons here.)

12. Form of Pricing Supplement

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Securities issued under the Programme.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The [Instruments/S.O. Bonds] are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended) (“MiFID II”); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive (as defined below). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended) (the “PRIIPs Regulation”) for offering or selling the [Instruments/S.O. Bonds] or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the [Instruments/S.O. Bonds] or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[MiFID II product governance / Professional investors and eligible counterparties only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the [Instruments/S.O. Bonds] has led to the conclusion that: (i) the target market for the [Instruments/S.O. Bonds] is eligible counterparties and professional clients only, each as defined in [MiFID II/Directive 2014/65/EU (as amended) (“MiFID II”)]; and (ii) all channels for distribution of the [Instruments/S.O. Bonds] to eligible counterparties and professional clients are appropriate. [*Details of any negative target market to be included if applicable*]. Any person subsequently offering, selling or recommending the [Instruments/S.O. Bonds] (a “distributor”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the [Instruments/S.O. Bonds] (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[MiFID II product governance / Retail investors, professional investors and eligible counterparties – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the [Instruments/S.O. Bonds] has led to the conclusion that: (i) the target market for the [Instruments/S.O. Bonds] is eligible counterparties, professional clients and retail clients, each as defined in [MiFID II/Directive 2014/65/EU (as amended) (“MiFID II”)]; *EITHER* [and (ii) all channels for distribution of the [Instruments/S.O. Bonds] are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] *OR* [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the [Instruments/S.O. Bonds] to retail clients are appropriate – investment advice[,/and]portfolio management[,/and][non-advised sales][and pure execution services][, subject to the distributor’s (as defined below) suitability and appropriateness obligations under MiFID II, as applicable].] [*Details of any negative target market to be included if applicable*]. Any person subsequently offering, selling or recommending the [Instruments/S.O. Bonds] (a “distributor”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the [Instruments/S.O. Bonds] (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels[, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable].]

[Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) – [In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Company has determined, and

hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Instruments are capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and are Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products]¹ / [In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the S.O. Bonds are prescribed capital markets products (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)]^{2,3}

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC (AS AMENDED OR SUPERSEDED) (THE "PROSPECTUS DIRECTIVE") FOR THE ISSUE OF [INSTRUMENTS/S.O. BONDS] DESCRIBED BELOW.

Pricing Supplement dated []

SWEDBANK MORTGAGE AB (publ)

Legal Entity Identifier (LEI): 549300TJREQ7GHIXWR36

Issue of [Aggregate Nominal Amount of Tranche] [Title of Instruments/S.O. Bonds]

under the €25,000,000,000 Programme for the
Issuance of Debt Instruments and S.O. Bonds

PART A – CONTRACTUAL TERMS

Any person making or intending to make an offer of the [Instruments/S.O. Bonds] may only do so in circumstances in which no obligation arises for the Company 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 [Instruments/S.O. Bonds] described herein. This document must be read in conjunction with the Base Prospectus dated 14 May 2019 (the "Base Prospectus") [as supplemented by the supplement[s] dated [] [and []]]. Full information on Swedbank Mortgage AB (publ) (the "Company") and the offer of the [Instruments/S.O. Bonds] is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplement[s]] [has] [have] been published on the website of the Central Bank of Ireland at <https://www.centralbank.ie/regulation/industry-market-sectors/securities-markets/prospectus-regulation/prospectuses> [and on the website of the Irish Stock Exchange plc trading as Euronext Dublin at www.ise.ie] and copies may be obtained during normal business hours, free of charge, from the offices of the Company at SE-105 34 Stockholm, Sweden, Sweden and from the specified office of the Fiscal Agent at [].

¹ Legend to be included on front of the Pricing Supplement if the Company has re-classified the Instruments as "capital markets products other than prescribed capital markets products" and "Specified Investment Products" pursuant to Section 309B of the SFA prior to the launch of the offer, and the Instruments are to be offered in Singapore.

² Legend to be included on front of the Pricing Supplement if the Company has re-classified the S.O. Bonds as "prescribed capital markets products" and "Excluded Investment Products" pursuant to Section 309B of the SFA prior to the launch of the offer, and the S.O. Bonds are to be offered in Singapore.

³ Relevant Dealer(s) to consider whether it / they have received the necessary product classification from the Company prior to the launch of the offer, pursuant to Section 309B of the SFA.

[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 guidance for completing the Pricing Supplement.]

[If the Instruments/S.O. Bonds have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

1. Company: Swedbank Mortgage AB (publ)
2. (i) Series Number: []
- (ii) Tranche Number: []
- (iii) Date on which the [Instruments/S.O. Bonds] will be consolidated and form a single Series: [The [Instruments/S.O. Bonds] will be consolidated and form a single Series with [] on [the Issue Date/exchange of the Temporary Global [Instrument/S.O. Bond] for interests in the Permanent Global [Instrument/S.O. Bond], as referred to in paragraph 21 below, which is expected to occur on or about []] [Not Applicable]
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount: []
 - (i) Series: []
 - (ii) Tranche: []
5. Issue Price: [] per cent of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
6. (i) Specified Denomination(s): []
[]

(N.B. Where multiple denominations above €100,000 or its equivalent in other currencies 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 [Instruments/S.O. Bonds] in definitive form will be issued with a denomination above [€199,000].”¹
- (ii) Calculation Amount: []

(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor.

¹ Not applicable if Instruments/S.O. Bonds being issued are in registered form.

N.B. There must be a common factor in the case of two or more Specified Denominations.)

7. (i) Issue Date: []
- (ii) Interest Commencement Date: [[]/Issue Date/Not Applicable]
8. Maturity Date: [*Specify date or (for Floating Rate Instruments/ S.O. Bonds) Interest Payment Date falling in or nearest to the relevant month and year*]
9. Interest Basis: [[] per cent Fixed Rate]
- [*specify reference rate*] +/- [] per cent Floating Rate]
- [Zero Coupon]
- [*specify other*]
10. Redemption/Payment Basis: [Subject to any purchase and cancellation [or early redemption], the [Instruments/S.O. Bonds] will be redeemed on the Maturity Date at 100 per cent of their nominal amount]/[*specify other*]
11. Change of Interest Basis or Redemption/Payment Basis: [[]/Not Applicable]
12. Put/Call Options: [Company Call]/[Investor Put]²/[Not Applicable]
- [(see paragraph [17/18] below)]
13. [(i)] Status of the [Instruments/ S.O. Bonds]: [Unsubordinated/The S.O. Bonds are unsubordinated obligations issued in accordance with the Swedish Act (2003:1223) on Issuance of Covered Bonds (Sw: *Lagen (2003:1223) om utgivning av säkerställda obligationer*)]
- (ii) [Date [Board] approval for issuance of [Instruments/S.O. Bonds] obtained:] []
- (N.B. Only relevant where Board (or similar) authorisation is required for the particular Tranche of Instruments/S.O. Bonds)*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate [Instrument/S.O. Bond] Provisions (Condition 4A) [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*

² Only applicable for Instruments

- (i) Rate(s) of Interest: [] per cent per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [] [and []] in each year, from and including [], up to and including the Maturity Date
(N.B. This will need to be amended in the case of long or short coupons)
- (iii) Fixed Coupon Amount(s): [] per Calculation Amount
(Applicable to [Instruments/S.O. Bonds] in definitive form)
- (iv) Broken Amount(s): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []]/[Not Applicable]
(Applicable to [Instruments/S.O. Bonds] in definitive form)
- (v) Day Count Fraction: [30/360]
[Actual/Actual (ICMA)]
[specify other]
- (vi) Determination Dates: [] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.*
N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration
N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))
- (vii) Other terms relating to the method of calculating interest for Fixed Rate [Instruments/S.O. Bonds]: [Not Applicable/give details]
15. Floating Rate [Instruments/S.O. Bond] Provisions (Condition 4B) [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) Business Centre(s): []
- (iv) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/*specify other*]
- (v) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent): [[Name] shall be the Calculation Agent]/[Not Applicable]
- (vi) Screen Rate Determination:
- Reference Rate, Relevant Time and Relevant Financial Centre: Reference Rate: [] month [LIBOR/EURIBOR/STIBOR/NIBOR/CIBOR/TIBOR/HIBOR/*specify other*]
 Relevant Time: [[] in the Relevant Financial Centre/As per Condition 4B(ii)]
 Relevant Financial Centre: [London /Brussels/Stockholm/Oslo/Copenhagen/Tokyo/Hong Kong/*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]
 [First day of each Interest Period]
 [Second Tokyo business day prior to the start of each Interest Period]
 [First day of each Interest Period]
 [[] days prior to the start of each Interest Period]
 [*specify other*]
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or Euro LIBOR), first day of each Interest Period if Sterling LIBOR, the second day on which the TARGET2 System is open prior to the start of each

Interest Period if EURIBOR or Euro LIBOR, the second Stockholm business day prior to the start of each Interest Period if STIBOR, the second Oslo business day prior to the start of each Interest Period if NIBOR, the first day of each Interest Period if CIBOR, the second Tokyo business day prior to the start of each Interest Period if TIBOR and the first day of each interest period if HIBOR)

– Relevant Screen Page: []

(In the case of EURIBOR, if not Reuters Screen EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

(vii) ISDA Determination:

– Floating Rate Option: []

– Designated Maturity: []

– Reset Date: []

(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)

(N.B. The fallback provisions applicable to ISDA Determination under 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time)

(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: [] per cent per annum

(xi) Maximum Rate of Interest: [] per cent per annum

(xii) Day Count Fraction: [Actual/Actual (ISDA)] [Actual/Actual]

[Actual/365 (Fixed)]

[Actual/365 (Sterling)]

[Actual/360]

- [30/360] [360/360] [Bond Basis]
 [30E/360] [Eurobond Basis]
 [30E/360 (ISDA)]
 [specify other]
- (xiii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate [Instruments/S.O. Bonds], if different from those set out in the Conditions: []
- (xiv) Benchmark Discontinuation: [Applicable/Not Applicable]
16. Zero Coupon [Instrument/S.O. Bond] Provisions [Applicable/Not Applicable]
 (If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Accrual Yield: [] per cent per annum
- (ii) Reference Price: []
- (iii) Any other formula/basis of determining amount payable: []
- (iv) [Day Count Fraction in relation to Early Redemption Amounts: [30/360]
 [Actual/360]
 [Actual/365]
 [specify other]]

PROVISIONS RELATING TO REDEMPTION

17. Company Call [Applicable/Not Applicable]
 (If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [[] per Calculation Amount/specify other/see Appendix]
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: []

(b) Maximum Redemption Amount: []

(iv) Notice period (if other than as set out in the Conditions): []

(N.B. If setting notice periods which are different to those provided in the Conditions, the Company is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Company and the Fiscal Agent)

18. Investor Put³ [Applicable/Not Applicable]

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

(i) Optional Redemption Date(s): []

(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [[] per Calculation Amount/specify other/see Appendix]

(iii) Notice period (if other than as set out in the Conditions): []

(N.B. If setting notice periods which are different to those provided in the Conditions, the Company is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Company and the Fiscal Agent)

19. Final Redemption Amount: [[] per Calculation Amount/specify other/see Appendix]

20. Early Redemption Amount:⁴

Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default: [[] per Calculation Amount/specify other/see Appendix/Not Applicable]

(N.B. If the Final Redemption Amount is 100 per cent of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent of the nominal value, consideration

³ Select "Not Applicable" in the case of S.O. Bonds.

⁴ Not applicable to S.O. Bonds.

should be given as to what the Early Redemption Amount should be.)

GENERAL PROVISIONS APPLICABLE TO THE [INSTRUMENTS/S.O. BONDS]

21. Form of [Instruments/S.O. Bonds]:

(i) Form:

[Bearer Instruments/S.O. Bonds:

[Temporary Global [Instrument/S.O. Bond] exchangeable for a Permanent Global [Instrument/S.O. Bond] on and after the Exchange Date which is exchangeable for definitive [Instruments/S.O. Bonds] [upon 45 days' written notice (expiring after the Exchange Date)] [upon 45 days written notice (expiring after the Exchange Date) only upon the occurrence of an Exchange Event].]

[Temporary Global [Instrument/S.O. Bond] exchangeable for definitive [Instruments/S.O. Bonds] on and after the Exchange Date.]

(In relation to issues of Instruments/S.O. Bonds which are represented by a Temporary/Permanent Global Instrument/S.O. Bond exchangeable for Definitive Bearer Instruments/S.O. Bonds, the following construction may not be used in paragraph 6: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].")]

[Registered Instruments/S.O. Bonds:

[Restricted Registered Global [Instrument/S.O. Bond] registered in the name of a nominee for DTC (*specify nominal amounts*)]

[Unrestricted Registered Global [Instrument/S.O. Bond] registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (*specify nominal amounts*)]

(ii) New Global [Instruments/S.O. Bonds]: [Yes]/[No]

22. Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]

(Note that this item relates to the date and place of payment, and not the end dates of Interest Periods for the purposes of calculating the amount of

interest, to which item 15(iii) relates)

23. Talons for future Coupons to be attached to [Yes/No]
Definitive [Instruments/S.O. Bonds]:

24. Other final terms: [Not Applicable/*give details*]

25. Third Party Information:

[[] has been extracted from []. The Company 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 [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]/[Not Applicable]

Signed on behalf of the Company:

By:
Duly authorised

[By:
Duly authorised]

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: []/None]
- (ii) Admission to trading: [Application has been made for the [Instruments/S.O. Bonds] to be admitted to trading on [] with effect from, or from about, []/Not Applicable]
- (iii) Estimate of total expenses related to admission to trading: []

2. RATINGS

- Ratings [The [Instruments/S.O. Bonds] 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/OFFER

[Save for any fees payable to the [managers/dealers], so far as the Company is aware, no person involved in the offer of the [Instruments/S.O. Bonds] 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 Company and its affiliates in the ordinary course of business.]

4. OPERATIONAL INFORMATION

- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) CFI [[See/[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (iv) FISN [[See/[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (v) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. (together with the address of such clearing system) and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]

- (vi) Settlement procedures: *[Specify whether customary medium term note/ eurobond/other settlement and payment procedures apply]*
- (vii) Delivery: Delivery [against/free of] payment
- (viii) Names and addresses of additional Transfer Agents and/or Paying Agent(s) (if any): [] / [None]
- (ix) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]
- [Yes. Note that the designation "yes" simply means that the [Instruments/S.O. Bonds] are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, that is, held under the NSS.] [include this text for Registered Instruments/S.O. Bonds which are to be held under the NSS] and does not necessarily mean that the [Instruments/S.O. Bonds] will be recognised as eligible collateral for Eurosystem monetary policy and intraday 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 [Instruments/S.O. Bonds] are capable of meeting them the [Instruments/S.O. Bonds] may then be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, that is, held under the NSS [include this text for Registered Instruments/S.O. Bonds which are to be held under the NSS]]. Note that this does not necessarily mean that the [Instruments/S.O. Bonds] will then be recognised as eligible collateral for Eurosystem monetary policy and intraday 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.]*

5. DISTRIBUTION

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

- (iii) Date of Subscription Agreement: []
- (iv) Stabilisation Manager(s) (if any): [Not Applicable/give names]
- (v) If non-syndicated, name of Dealer: [Not Applicable/give name]
- (vi) Whether TEFRA D rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA not applicable]
- (vii) Additional selling restrictions: [Not Applicable/give details]
- (viii) Prohibition of Sales to EEA Retail Investors: [Not Applicable]
- (If the Instruments/S.O. Bonds clearly do not constitute “packaged” products, “Not Applicable” should be specified.)*
- [Applicable]
- (If the Instruments/S.O. Bonds may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*

6. REASONS FOR THE OFFER

- Reasons for the offer: []/[Not Applicable]
- (See “Use of Proceeds” wording in the Base Prospectus – if reasons for the offer are different from general business purposes, will need to include those reasons here.)*

13. Taxation

13.1 Swedish Taxation

The following summary outlines certain Swedish tax consequences to holders of Instruments or S.O. Bonds who are not residents of Sweden for income tax purposes. Purchasers are urged to consult their professional advisers as to the tax consequences of acquiring, holding or transferring Instruments or S.O. Bonds.

Under Swedish law as presently in effect, payments of any principal or any amount that is considered to be interest for Swedish tax purposes to the holder of any Instrument or S.O. Bond will not be subject to Swedish income tax, provided that such holder is neither (i) resident in Sweden for tax purposes nor (ii) engaged in trade or business in Sweden through a permanent establishment to which the Instruments or S.O. Bonds are effectively connected.

Swedish law, as presently in effect, does not provide for deduction or withholding for or on account of taxes on payments of any principal or interest to the holder of any Instruments or S.O. Bonds, except on payment of interest, and any other yield on any Instruments or S.O. Bonds which is paid at the same time as interest, to a holder of Instruments or S.O. Bonds who is a private individual (or an estate of a deceased individual) with tax residence in Sweden.

13.2 The proposed Financial Transaction Tax (“FTT”)

On 14 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"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Instruments and the S.O. Bonds (including secondary market transactions) in certain circumstances. The issuance and subscription of Instruments and S.O. Bonds should, however, be exempt.

Under the Commission's Proposal, 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 Instruments and S.O. Bonds 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.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Instruments and the S.O. Bonds are advised to seek their own professional advice in relation to the FTT.

13.3 Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as "FATCA", a "foreign financial institution" (as defined by FATCA) may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain

certification, reporting or related requirements. The Company may be a foreign financial institution for these purposes. A number of jurisdictions, including Sweden, have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of FATCA provisions and IGAs to instruments such as Instruments and S.O. Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Instruments and S.O. Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Instruments and S.O. Bonds, such withholding would not apply prior to the date that is two years after the date on which final regulations defining “foreign passthru payments” are published in the U.S. Federal Register and Instruments and S.O. Bonds issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Instruments and S.O. Bonds (as described under “Terms and Conditions of the Instruments – Further Issues” and “Terms and Conditions of the S.O. Bonds – Further Issues”) that are not distinguishable from previously issued Instruments and S.O. Bonds are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Instruments and S.O. Bonds, including the Instruments and S.O. Bonds offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Instruments and S.O. Bonds.

14. Definitions

Common Equity Tier 1 capital (CET 1 capital): Capital consisting of capital instruments, related share premium accounts, retained earnings and other comprehensive income after considering regulatory adjustments.

Credit impairments: Established losses and provisions for the year less recoveries related to loans as well as the year's net expenses for guarantees and other contingent liabilities.

Probability of default (PD): The probability of default (PD) indicates the risk that a counterparty or contract will default within a 12-month period.

Risk exposure amount (REA): Risk weighted exposure value i.e. the exposure value after considering the risk inherent in the asset.

15. General Information

1. The establishment of the Programme was authorised by a duly convened meeting of the Board of Directors of the Company held on 18 February 1992. Further issuances of Instruments and S.O. Bonds under the Programme are authorised by the Company at the time of any such further issuances.
2. Except as disclosed in this Base Prospectus under the heading “Risk Factors – Risks Relating to the Group – The Group is exposed to anti-money laundering and sanctions compliance risks, and is currently cooperating with investigations by authorities into allegations that the Group may have processed money laundering transactions.”, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months preceding the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company.
3. Since 31 December 2018 there has been no significant change in the financial or trading position of the Company and no material adverse change in the prospects of the Company.
4. Deloitte AB (Authorised Public Accountants) of Rehnsgatan 11, SE-113 79 Stockholm, Sweden, have audited the annual financial statements of the Company for each of the financial years ended 31 December 2018 and 31 December 2017.
5. PricewaterhouseCoopers AB (Authorised Public Accountants) of Torsgatan 21, SE-113 97, Stockholm, Sweden has been appointed as the Company’s independent registered public accounting firm for the financial year ending 31 December 2019 onwards (replacing Deloitte AB).
6. Each of Deloitte AB and PricewaterhouseCoopers AB is a member of FAR, the professional institute for authorised public accountants (Sw: *auktoriserade revisorer*), approved public accountants (Sw: *godkända revisorer*) and other highly qualified professionals in the accountancy sector in Sweden.
7. For so long as Instruments or S.O. Bonds are listed on Euronext Dublin, hard copies and, where appropriate, English translations, of the following documents may be inspected during normal business hours at the offices of the Company (at SE-105 34 Stockholm, Sweden) and at the specified office of the Fiscal Agent in London, namely:
 - (a) Registration Certificate and Articles of Association of the Company;
 - (b) the Fiscal Agency Agreement (including the forms of the Temporary Global Instrument and S.O. Bond, the Permanent Global Instrument and S.O. Bond, the Unrestricted Registered Global Instrument and S.O. Bond, the Restricted Registered Global Instrument and S.O. Bond, the Definitive Bearer Instruments and S.O. Bonds and Definitive Registered Instrument and S.O. Bonds and the Coupons);
 - (c) the Deed of Covenant;
 - (d) the Issuer-ICSDs Agreement (as defined below);
 - (e) the audited consolidated financial statements of the Company in respect of the financial years ended 31 December 2018 and 31 December 2017 in each case together with the audit reports prepared in connection therewith;

- (f) the most recently published audited annual financial statements of the Company and the most recently published unaudited interim financial statements of the Company, in each case together with any audit or review reports prepared in connection therewith; and
- (g) this Base Prospectus, any supplement to this Base Prospectus, any documents incorporated by reference and, save as provided below, any Final Terms issued pursuant to the Programme.

Any English translation of a document referred to above shall be a direct and accurate translation of the original. In the event of any discrepancy, the original language version shall prevail.

In addition, copies of this Base Prospectus, any supplement to this Base Prospectus and Final Terms relating to Instruments or S.O. Bonds listed on Euronext Dublin will be published on the website of the Central Bank of Ireland at <https://www.centralbank.ie/regulation/industry-market-sectors/securities-markets/prospectus-regulation/prospectuses> and on the website of Euronext Dublin at www.ise.ie. Copies of Final Terms relating to Instruments or S.O. Bonds which are admitted to trading on any other regulated market in the EEA, will be published in accordance with the rules and regulations of the relevant listing authority or stock exchange and otherwise in accordance with Article 14 of the Prospectus Directive.

Copies of Pricing Supplements relating to Instruments or S.O. Bonds which are neither admitted to trading on any regulated market within the EEA nor offered in any Member State of the EEA in circumstances where a prospectus is required to be published under the Prospectus Directive (including Exempt Securities) will only be available for inspection by a Holder of such Instruments or S.O. Bonds upon production of evidence satisfactory to the Company and the Fiscal Agent or, as the case may be, the Registrar as to its holding of such Instruments or S.O. Bonds and identity.

- 8. This Base Prospectus has been approved by the Central Bank of Ireland as a base prospectus. Application has been made to Euronext Dublin for Instruments and S.O. Bonds (other than Exempt Securities) issued under the Programme to be admitted to the Official List and to trading on the Regulated Market. The Regulated Market is a regulated market for the purposes of MiFID.

However, Instruments and S.O. Bonds 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 Euronext Dublin 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 Company and the relevant Dealer(s) may agree.

- 9. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Company in connection with the Programme and is not itself seeking admission of Instruments or S.O. Bonds issued under the Programme to the Official List or to trading on the Regulated Market for the purposes of the Prospectus Directive.
- 10. The Instruments and S.O. Bonds have been accepted for clearance through Euroclear, Clearstream, Luxembourg and SIS. The common code and International Securities Identification Number in relation to the Instruments and S.O. Bonds of each Tranche allocated by Euroclear, Clearstream, Luxembourg and/or SIS will be specified in the applicable Final Terms or, in the case of Exempt Securities, the applicable Pricing Supplement. In addition,

the Company will make an application for any Registered Instruments or Registered S.O. Bonds to be accepted for trading in book-entry form by DTC. The CUSIP number for each Tranche of Registered Instruments or Registered S.O. Bonds, together with the relevant common code and International Securities Identification Number, will be specified in the applicable Final Terms or, in the case of Exempt Securities, the applicable Pricing Supplement. Euroclear, Clearstream, Luxembourg, DTC and SIS are the entities in charge of keeping book-entry records. If the Instruments or S.O. Bonds are to be cleared through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms or, in the case of Exempt Securities, the applicable Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium; the address of Clearstream, Luxembourg is Clearstream Banking SA, 42 Avenue JF Kennedy, L-1855 Luxembourg and the address of DTC is 55 Water Street, New York, NY 10041-0099, USA.

The Company has entered into an agreement with Euroclear and Clearstream, Luxembourg (together, the "ICSDs") in respect of any Bearer Instruments or Bearer S.O. Bonds issued in NGI or NGB form, respectively, or any Registered Instruments or Registered S.O. Bonds intended to be held under the new safekeeping structure ("NSS") that the Company may request be made eligible for settlement with the ICSDs (the "Issuer-ICSDs Agreement"). The Issuer-ICSDs Agreement provides that the ICSDs will, in respect of any such Instruments or S.O. Bonds, *inter alia*, maintain records of their respective portion of the issue outstanding amount and will, upon the Company's request, produce a statement for the Company's use showing the total nominal amount of its customer holdings of such Instruments or S.O. Bonds as of a specified date.

11. Settlement arrangements will be separately agreed between the Company, the relevant Dealer and the Fiscal Agent or, as the case may be, the Registrar in relation to each Series.
12. The issue price and amount of Instruments or S.O. Bonds of any Tranche to be issued will be determined at the time of offering of such Tranche in accordance with then prevailing market conditions.
13. In relation to any Tranche of Fixed Rate Instruments or S.O. Bonds, an indication of the yield in respect of such Instruments or S.O. Bonds will be specified in the applicable Final Terms or, in the case of Exempt Securities, the applicable Pricing Supplement. The yield is calculated at the Issue Date of the Instruments or S.O. Bonds on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Instruments or S.O. Bonds and will not be an indication of future yield.
14. The following legend will appear on all permanent and definitive Bearer Instruments and permanent and definitive Bearer S.O. Bonds which have an original maturity of more than one year and on all Coupons and Talons relating to such Instruments and S.O. Bonds:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(J) AND 1287(A) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States persons, with certain exceptions, will not be entitled to deduct any loss on Bearer Instruments or Bearer S.O. Bonds or Coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Instruments, Bearer S.O. Bonds or Coupons.

15. The Company has not entered into any material contracts outside the ordinary course of its business which could result in any member of the Group being under an obligation or entitlement that is material to the Company's ability to meet its obligations to holders of Instruments or S.O. Bonds issued under the Programme.
16. The language of this Base Prospectus 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.
17. 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 Company and its respective affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Instruments and S.O. Bonds issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Company and its respective affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Company or its respective affiliates. Certain of the Dealers or their affiliates routinely hedge their credit exposures to the Company consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Instruments and S.O. Bonds issued under the Programme. Any such positions could adversely affect future trading prices of Instruments and S.O. Bonds issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

THE COMPANY

Registered address: SE-105 34, Stockholm, Sweden
Visitors' address: Landsvägen 40, SE-172 63 Sundbyberg, Sweden

FISCAL AGENT AND PAYING AGENT

Citibank, N.A., London Branch

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Canary Wharf
London E14 5LB
United Kingdom

REGISTRAR

Citigroup Global Markets Europe AG

Reuterweg 16
603 23 Frankfurt am Main
Germany

TRANSFER AGENT AND EXCHANGE AGENT

Citibank, N.A., London Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

PAYING AGENT AND TRANSFER AGENT

The Bank of New York Mellon SA/NV, Luxembourg Branch

2-4 rue Eugene Ruppert
Vertigo Building – Polaris
L-2453 Luxembourg

LEGAL ADVISERS

To the Company as to English Law

Linklaters LLP

One Silk Street
London EC2Y 8HQ
United Kingdom

To the Dealers as to Swedish Law

Wistrand Advokatbyrå

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P.O. Box 7543
SE-103 93 Stockholm
Sweden

To the Dealers as to English Law

Allen & Overy LLP

One Bishops Square
London E1 6AD
United Kingdom

AUDITORS OF THE COMPANY

*For the financial years ended 31 December 2018
and 31 December 2017*

Deloitte AB

Rehnsgratan 11
SE-113 79 Stockholm
Sweden

*For the financial year ending 31 December 2019
onwards*

PricewaterhouseCoopers AB

Torsgratan 21
SE-113 97 Stockholm,
Sweden

LISTING AGENT

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Dublin 2
Ireland

DEALERS

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DO2RF29
Ireland

BNP Paribas

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London NW1 6AA
United Kingdom

Citigroup Global Markets Europe AG

Reuterweg 16
60323 Frankfurt am Main
Germany

Credit Suisse Securities (Europe) Limited

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London E14 4QJ
United Kingdom

Deutsche Bank AG, London Branch

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HSBC Bank plc

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United Kingdom

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Natixis

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France

Barclays Bank PLC

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Canary Wharf
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United Kingdom

BofA Securities Europe SA

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75008 Paris
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Citigroup Global Markets Limited

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United Kingdom

Danske Bank A/S

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Denmark

Goldman Sachs International

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United Kingdom

J.P. Morgan Securities plc

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Canary Wharf
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United Kingdom

Merrill Lynch International

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London EC1A 1HQ
United Kingdom

NatWest Markets Plc

250 Bishopsgate
London EC2M 4AA
United Kingdom

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Germany

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France

UBS AG

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8001 Zürich
Switzerland

UniCredit Bank AG

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RBC Europe Limited

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Swedbank AB (publ)

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Sweden

UBS Europe SE

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