

Supplement dated 9 October 2019

Swedbank Mortgage AB (publ)

EUR 25,000,000,000

PROGRAMME FOR THE ISSUANCE OF DEBT INSTRUMENTS AND S.O. BONDS

This base prospectus supplement dated 9 October 2019 (the “**Supplement**”) to the Base Prospectus dated 14 May 2019 as supplemented by the base prospectus supplement dated 17 July 2019 (together with the Supplement, the “**Base Prospectus**”) constitutes a supplement for the purposes of Article 16 of Directive 2003/71/EC, as amended or superseded (the “**Prospectus Directive**”) and is prepared in connection with the Programme for the Issuance of Debt Instruments and S.O. Bonds (the “**Programme**”) established by Swedbank Mortgage AB (publ) (the “**Company**”). Unless otherwise defined herein, terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement has been approved by the Central Bank of Ireland as competent authority under the Prospectus Directive. The Central Bank of Ireland only approves this Supplement as meeting the requirements imposed under Irish and European law pursuant to the Prospectus Directive.

The Company accepts responsibility for the information contained in this Supplement. 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 Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

Purpose of the Supplement

This Supplement has been prepared for the purposes of:

- (a) including inserting a new risk factor in the “Risk Factors” section of the Base Prospectus;
- (b) amending the Form of Final Terms and the Form of Pricing Supplement; and
- (c) amending Condition 4B (*Interest on Floating Rate Instruments*) of the Terms and Conditions of the Instruments and Condition 4B (*Interest on Floating Rate S.O. Bonds*) of the Terms and Conditions of the S.O. Bonds,

in each case, as set out in further detail below.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) will prevail.

Risk Factors

In 2.4 (*Risks Relating to the Instruments and S.O. Bonds*) of the section of the Base Prospectus headed "Risk Factors", the risk factor set out below shall be included as an additional risk factor 2.4.3.5 on page 40 of the Base Prospectus:

"2.4.3.5 *The market continues to develop in relation to SONIA as a reference rate for floating rate securities*

Investors should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to Sterling LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Terms and Conditions as applicable to Instruments or S.O. Bonds, as the case may be, and used in relation to Floating Rate Instruments or Floating Rate S.O. Bonds, as the case may be, that reference a SONIA rate that are issued under this Base Prospectus. Furthermore, the Issuer may in the future issue securities referencing SONIA that differ materially in terms of interest determination when compared with any previous SONIA-referenced Instruments or S.O. Bonds issued by it under the Programme. The nascent development of Compounded Daily SONIA as an interest reference rate for the Eurobond markets, as well as continued development of SONIA-based rates for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SONIA-referenced Instruments or S.O. Bonds issued under the Programme from time to time.

Furthermore, interest on Instruments or S.O. Bonds which reference Compounded Daily SONIA is only capable of being determined at the end of the relevant Observation Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Instruments or S.O. Bonds which reference a SONIA rate to reliably estimate the amount of interest which will be payable on such Instruments or S.O. Bonds, and some investors may be unable or unwilling to trade such Instruments or S.O. Bonds without changes to their IT systems, both of which could adversely impact the liquidity of such Instruments or S.O. Bonds. Further, in contrast to LIBOR-based Instruments or S.O. Bonds, if Instruments referencing Compounded Daily SONIA become due and payable as a result of an event of default under Condition 6 (*Events of Default*) of the Terms and Conditions of the Instruments, or Instruments or S.O. Bonds are redeemed early on a date other than an Interest Payment Date, the rate of interest payable for the final Interest Period in respect of such Instruments or S.O. Bonds shall only be determined immediately prior to the date on which the Instruments or S.O. Bonds become due and payable and shall not be reset thereafter.

In addition, the manner of adoption or application of SONIA reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA in other markets, such as the derivatives and loan markets. Investors should carefully consider how any

mismatch between the adoption of SONIA reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Instruments or S.O. Bonds referencing a SONIA rate.

Further, if SONIA does not prove to be widely used in securities such as the Instruments or S.O. Bonds, the trading price of such Instruments or S.O. Bonds linked to SONIA may be lower than those of Instruments or S.O. Bonds linked to indices that are more widely used. Investors in such Instruments or S.O. Bonds may not be able to sell such Instruments or S.O. Bonds at all or may not be able to sell such Instruments or S.O. Bonds at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

Investors should consider these matters when making their investment decision with respect to any such relevant Instruments or S.O. Bonds.”

Form of Final Terms/Pricing Supplement

(i) In the Form of Final Terms, item 9 (*Interest Basis*) of Part A on page 133 of the Base Prospectus shall be deleted and replaced with the following:

9. Interest Basis:
- [[] per cent Fixed Rate]
 - [[] month [LIBOR/EURIBOR/STIBOR/NIBOR/CIBOR/TIBOR/HIBOR] +/- [] per cent Floating Rate]
 - [SONIA +/- [] per cent Floating Rate]
 - [Zero Coupon]

(ii) In the Form of Final Terms, item 15(vi) of Part A on pages 135 and 136 of the Base Prospectus shall be deleted and replaced with the following:

- (vi) Screen Rate Determination:
- Reference Rate, Relevant Time and Relevant Financial Centre: Reference Rate: [SONIA]/ [] 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): [The [] London Banking Day prior to the end of each Interest Period]

[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 the number of London Banking Days prior to the end of each Interest Period if SONIA, 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)

– [Observation Look-back Period: [] London Banking Days]

(iii) In the Form of Pricing Supplement, item 15(vi) of Part A on pages 150 and 151 of the Base Prospectus shall be deleted and replaced with the following:

(vi) Screen Rate Determination:

– Reference Rate, Relevant Time and Relevant Financial Centre: Reference Rate: [SONIA]/[] 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): [The [] London Banking Day prior to the end of each Interest Period]

[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]

(Specify the number of London Banking Days prior to the end of each Interest Period if SONIA, 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)

[Observation Look-back Period: [] London Banking Days]

- (iv) In the Form of Final Terms, item 2 (Benchmarks Regulation) of Part B on page 141 of the Base Prospectus shall be deleted and replaced with the following:

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 [SONIA/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, [SONIA/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).]]

Condition 4B of the Terms and Conditions of the Instruments

The following subsection shall be inserted at the end of Condition 4B(ii)(B) (Screen Rate Determination for Floating Rate Instruments) on page 55 of the Base Prospectus:

“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 and the Reference Rate is specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement as being SONIA, the foregoing provisions of Condition 4B(ii)(B) will not apply and the Rate of Interest for an Interest Period will, subject as provided in Condition 4B(ii)(C) below, be Compounded Daily SONIA with respect to such Interest

Period plus or minus (as indicated in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement) the applicable Margin.

“Compounded Daily SONIA” means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Fiscal Agent or the Calculation Agent, as the case may be, on the Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“d” is the number of calendar days in the relevant Interest Period;

“d_o” is the number of London Banking Days in the relevant Interest Period;

“i” is a series of whole numbers from one to d_o, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Interest Period;

“London Banking Day” or “LBD” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“n_i”, for any London Banking Day “i”, means the number of calendar days from and including such London Banking Day “i” up to but excluding the following London Banking Day;

“Observation Period” means, in respect of each Interest Period, the period from and including the date falling “p” London Banking Days prior to the first day of the relevant Interest Period and ending on, but excluding, the date falling “p” London Banking Days prior to the end of such Interest Period (or the date falling “p” London Banking Days prior to such earlier date, if any, on which the Instruments become due and payable);

“p” means for any Interest Period, the number of London Banking Days included in the Observation Look-back Period, as specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement;

the “SONIA reference rate”, in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average (“SONIA”) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (on the London Banking Day immediately following such London Banking Day); and

“SONIA_{i-pLBD}” means, in respect of any London Banking Day falling in the relevant Observation Period, the SONIA reference rate for the London Banking Day falling “p” London Banking Days prior to the relevant London Banking Day “i”.

If, subject to Condition 4B(ii)(C), in respect of any London Banking Day in the relevant Observation Period, the Fiscal Agent or the Calculation Agent, as the case may be, determines that the applicable SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, the SONIA reference rate in respect of such London Banking Day shall be:

1. (i) the Bank of England's Bank Rate (the "Bank Rate") prevailing at close of business on such London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads); or
2. if such Bank Rate is not available, the SONIA rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

Where the SONIA reference rate is being determined in accordance with the paragraph above, in the event the Bank of England publishes guidance as to (i) how the SONIA reference rate is to be determined; or (ii) any rate that is to replace the SONIA reference rate, the Fiscal Agent or the Calculation Agent, as the case may be, shall, to the extent that it is reasonably practicable, follow such guidance in order to determine the SONIA reference rate for any London Banking Day "i" for the purpose of the relevant Series of Instruments for so long as the SONIA reference rate is not available or has not been published by the authorised distributors.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Fiscal Agent or the Calculation Agent, as the case may be, subject to Condition 4B(ii)(C), the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to that last preceding Interest Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Instruments for the first Interest Period had the Instruments been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (including applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

If the relevant Series of Instruments become due and payable in accordance with Condition 6, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms or, in the case of Exempt Instruments, the applicable Pricing Supplement be deemed to be the date on which such Instruments became due and payable and the Rate of Interest on such Instruments shall, for so long as any such Instruments remain outstanding, be that determined on such date."

Condition 4B of the Terms and Conditions of the S.O. Bonds

The following subsection shall be inserted at the end of Condition 4B(ii)(B) (*Screen Rate Determination for Floating Rate S.O. Bonds*) on page 89 of the Base Prospectus:

"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 and the Reference Rate is specified in the applicable Final Terms, or in the case of Exempt S.O. Bonds, the applicable Pricing Supplement as being SONIA, the foregoing provisions of Condition 4B(ii)(B) will not apply and the Rate of Interest for an Interest Period will, subject as provided in Condition 4B(ii)(C) below, be Compounded Daily SONIA with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement) the applicable Margin.

“Compounded Daily SONIA” means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Fiscal Agent or the Calculation Agent, as the case may be, on the Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“d” is the number of calendar days in the relevant Interest Period;

“d_o” is the number of London Banking Days in the relevant Interest Period;

“i” is a series of whole numbers from one to d_o, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Interest Period;

“London Banking Day” or “LBD” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“n_i”, for any London Banking Day “i”, means the number of calendar days from and including such London Banking Day “i” up to but excluding the following London Banking Day;

“Observation Period” means, in respect of each Interest Period, the period from and including the date falling “p” London Banking Days prior to the first day of the relevant Interest Period and ending on, but excluding, the date falling “p” London Banking Days prior to the end of such Interest Period (or the date falling “p” London Banking Days prior to such earlier date, if any, on which the S.O. Bonds become due and payable);

“p” means for any Interest Period, the number of London Banking Days included in the Observation Look-back Period, as specified in the applicable Final Terms or, in the case of Exempt S.O. Bonds, the applicable Pricing Supplement;

the “SONIA reference rate”, in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average (“SONIA”) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (on the London Banking Day immediately following such London Banking Day); and

“SONIA_{i-pLBD}” means, in respect of any London Banking Day falling in the relevant Observation Period, the SONIA reference rate for the London Banking Day falling “p” London Banking Days prior to the relevant London Banking Day “i”.

If, subject to Condition 4B(ii)(C), in respect of any London Banking Day in the relevant Observation Period, the Fiscal Agent or the Calculation Agent, as the case may be, determines that the applicable SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, the SONIA reference rate in respect of such London Banking Day shall be:

1. (i) the Bank of England’s Bank Rate (the “Bank Rate”) prevailing at close of business on such London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five days on which a SONIA reference rate has been published,

excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads); or

2. if such Bank Rate is not available, the SONIA rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

Where the SONIA reference rate is being determined in accordance with the paragraph above, in the event the Bank of England publishes guidance as to (i) how the SONIA reference rate is to be determined; or (ii) any rate that is to replace the SONIA reference rate, the Fiscal Agent or the Calculation Agent, as the case may be, shall, to the extent that it is reasonably practicable, follow such guidance in order to determine the SONIA reference rate for any London Banking Day "i" for the purpose of the relevant Series of S.O. Bonds for so long as the SONIA reference rate is not available or has not been published by the authorised distributors.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Fiscal Agent or the Calculation Agent, subject to Condition 4B(ii)(C), the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to that last preceding Interest Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of S.O. Bonds for the first Interest Period had the S.O. Bonds been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (including applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period)."