

## **Amendment to Program Information**

**Swedbank AB (publ)**

## AMENDMENT TO PROGRAM INFORMATION

Type of Information:	Amendment to Program Information
Date of Announcement:	18 May 2021
Issuer Name:	Swedbank AB (publ) (the “ <b>Issuer</b> ”)
Name and Title of Representative:	Jens Eriksson, Acting Head of Group Treasury Ulf Jakobsson, Head of Funding and Risk Management
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Type of Securities:	Notes (the “ <b>Notes</b> ”)
Address of Website for Announcement:	<a href="https://www.jpx.co.jp/english/equities/products/tpbm/announcement/index.html">https://www.jpx.co.jp/english/equities/products/tpbm/announcement/index.html</a>
Name of the Main Dealer that is Expected to Subscribe for the Notes to be Drawn-Down from this Program	Nomura International plc
Status of Submission of Annual Securities Reports or Issuer Filing Information:	No
Information on Original Program Information:	
Date of Announcement	29 May 2020
Scheduled Issuance Period:	30 May 2020 to 29 May 2021
Maximum Outstanding Issuance Amount:	U.S.\$40,000,000,000

This amendment, consisting of this cover page and the Base Prospectus dated 10 May 2021, is filed to update the information included in the Program Information dated 29 May 2020. This constitutes an integral part of the Program Information dated 29 May 2020 (the “**Original Program**”), and the Base Prospectus dated 13 May 2020 in the Original Program shall be replaced with the Base Prospectus dated 10 May 2021.

The cover page of the Program Information dated 29 May 2020 shall be amended and updated as follows:

*Prior to amendment:*

7. In respect of the U.S.\$40,000,000,000 Global Medium Term Note Programme dated 13 May 2020, the Issuer has been assigned a rating of A-1 (short term) and A+ (long term) (outlooks stable) from S&P Global Ratings Europe Limited (“S&P”), P-1 (short term) and Aa3 (long term) (outlooks stable) from Moody’s Investors Service (Nordics) AB (“Moody’s”) and F1 (short term) and A+ (long term) (rating watch stable) from Fitch Ratings Ltd. (“Fitch”). The credit rating firms have not been registered under Article 66-27 of the FIEA (“Unregistered Credit Rating Firms”).

*After amendment:*

7. In respect of the U.S.\$40,000,000,000 Global Medium Term Note Programme dated 10 May 2021, the Issuer has been assigned ratings of A-1 (short term) and A+ (long term) (outlooks stable) from S&P Global Ratings Europe Limited (“S&P”); P-1 (short term) and Aa3 (long term) (outlooks stable) from Moody’s Investors Service (Nordics) AB (“Moody’s”); and F1+ (short term) and AA- (long term) (rating watch stable) from Fitch Ratings Ireland Limited. (“Fitch”). The credit rating firms have not been registered under Article 66-27 of the FIEA (“Unregistered Credit Rating Firms”).

## BASE PROSPECTUS



### Swedbank AB (publ)

*(Incorporated with limited liability in the Kingdom of Sweden)*

### U.S.\$40,000,000,000 Global Medium Term Note Programme

Under the U.S.\$40,000,000,000 Global Medium Term Note Programme (the "Programme") described in this base prospectus (the "Base Prospectus"), Swedbank AB (publ) ("Swedbank" or the "Issuer"), subject to all applicable legal and regulatory requirements, may from time to time issue medium term notes in bearer or registered form (respectively, "Bearer Notes" and "Registered Notes" and together, the "Notes"). The aggregate principal amount of Notes outstanding at any one time will not exceed U.S.\$40,000,000,000 or the equivalent in other currencies.

Notes 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 Issuer (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 Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

This Base Prospectus has been approved as a base prospectus by the Central Bank of Ireland, as competent authority under Regulation (EU) 2017/1129 (the "Prospectus Regulation"). The Central Bank of Ireland only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the Central Bank of Ireland should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

Such approval relates only to the Notes which are to be admitted to trading on the regulated market (the "Regulated Market of Euronext Dublin") of the Irish Stock Exchange plc trading as Euronext Dublin ("Euronext Dublin") or on another regulated market in the European Economic Area (the "EEA") 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 EEA in circumstances that require the publication of a prospectus.

Application has been made to Euronext Dublin for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus (other than Exempt Notes (as defined below)) to be admitted to its official list (the "Official List") and to trading on the Regulated Market of Euronext Dublin. The Regulated Market of Euronext Dublin is a regulated market for the purposes of MiFID II. In addition, application has been made to register the Programme on the SIX Swiss Exchange Ltd. Upon specific request, Notes issued under the Programme may then be listed on the SIX Swiss Exchange Ltd. References in this Base Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been (i) admitted to the Official List and to trading on the Regulated Market of Euronext Dublin or (ii) admitted to trading on the standard for bonds of the SIX Swiss Exchange Ltd, as the case may be.

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the EEA for the purposes of MiFID II. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

The Programme also provides that Notes 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 Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The requirement to publish a prospectus under the Prospectus Regulation only applies to Notes 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 Articles 1(4) and 3(2) of the Prospectus Regulation. The requirement to publish a prospectus under the Financial Services and Markets Act 2000 (as amended) (the "FSMA") only applies to Notes which are admitted to trading on a United Kingdom ("UK") regulated market as defined in Regulation (EU) No. 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA") ("UK MiFIR") and/or offered to the public in the United Kingdom other than in circumstances where an exemption is available under section 86 of the FSMA. References in this Base Prospectus to "Exempt Notes" are to (i) Swiss Domestic Notes (as defined below) and (ii) Notes for which no prospectus is required to be published under the Prospectus Regulation or the FSMA. The Central Bank of Ireland has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Notes.

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

**There are certain risks related to any issue of Notes under the Programme, which investors should ensure they fully understand (see "Risk Factors" on pages 18-60 of this Base Prospectus).**

The Issuer has been assigned ratings of A-1 (short term) and A+ (long term) (outlooks stable) from S&P Global Ratings Europe Limited ("Standard & Poor's"); P-1 (short term) and Aa3 (long term) (outlooks stable) from Moody's Investors Service (Nordics) AB ("Moody's"); and F1+ (short term) and AA- (long term) (rating watch stable) from Fitch Ratings Ireland Limited. ("Fitch"). Notes to be issued under the Programme are expected to be rated A+ (Senior Preferred Notes with a maturity of more than one year), A- (Senior Non-Preferred Notes), BBB+ (Subordinated Notes) and A-1 (Senior Preferred Notes with a maturity of less than one year) by Standard & Poor's; Aa3 (Senior Preferred Notes), Baa1 (Senior Non-Preferred Notes), Baa2 (Subordinated Notes) and P-1 (short term) by Moody's; and AA- (Senior Preferred Notes with a maturity of more than one year), A+ (Senior Non-Preferred Notes), A- (Subordinated Notes) and F1+ (Senior Preferred Notes with a maturity of less than one year) by Fitch. Each of Standard & Poor's, Moody's and Fitch is established in the EEA and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation"). Each of Standard & Poor's, Moody's and Fitch is not established in the UK but is part of a group in respect of which one of its undertakings is (i) established in the UK and (ii) is registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the "UK CRA Regulation"). As such, the ratings issued by Standard & Poor's, Moody's and Fitch may be used for regulatory purposes in the UK in accordance with the UK CRA Regulation. Notes issued under the Programme may be rated or unrated. Where a Tranche (as defined below) of Notes is rated, such rating will be specified in the applicable Final Terms (as defined below) or, in the case of Exempt Notes, 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.

**THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY INCLUDE NOTES IN BEARER FORM THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. ACCORDINGLY, THE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO U.S. PERSONS EXCEPT (1) IN REGISTERED FORM AND TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A ("RULE 144A") UNDER THE SECURITIES ACT) IN TRANSACTIONS MEETING THE REQUIREMENTS OF RULE 144A OR (2) IN BEARER OR REGISTERED FORM AND TO CERTAIN NON-U.S. PERSONS IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. SEE "SUBSCRIPTION AND SALE" AND "NOTICE TO PURCHASERS OF RESTRICTED NOTES AND TRANSFER RESTRICTIONS" FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF THE NOTES.**

Arranger of the Programme

**J.P. Morgan**

Dealers

**Barclays**  
**BofA Securities**  
**Credit Suisse**  
**Deutsche Bank**  
**HSBC**  
**Morgan Stanley**  
**NatWest Markets**

**BNP PARIBAS**  
**Citigroup**  
**Danske Bank**  
**Goldman Sachs International**  
**J.P. Morgan**  
**Natixis**  
**Nomura**

The date of this Base Prospectus is 10 May 2021.

## IMPORTANT NOTICE

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms or, in the case of Exempt Notes, the Pricing Supplement for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer the information contained in this Base Prospectus is in accordance with the facts and this Base Prospectus as completed by the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, makes no omission likely to affect the import of such information.

The Issuer has confirmed to the Dealers that this Base Prospectus contains all information which is material in the context of the Programme or the issue of the relevant Notes; that this Base Prospectus is true and accurate in all material respects and is not misleading and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make statements herein, in light of the circumstances under which they are made, not misleading and; there are no other facts in relation thereto the omission of which would, in the context of the Programme or the issue of the relevant Notes, make any statement herein misleading in any material respect; that all reasonable enquiries have been made to verify the foregoing; and that the opinions and intentions expressed herein are honestly held or made. The Issuer has further confirmed to the Dealers that this Base Prospectus together with, in relation to any Tranche of Notes, the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, contains the necessary information which is material to an investor for making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, of the rights attaching to the relevant Notes and the reasons for any issuance and its impact on the Issuer.

In relation to any Tranche, the aggregate nominal amount of the Notes of such Tranche, the interest (if any) payable in respect of the Notes 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 Notes, a pricing supplement ("Pricing Supplement"). In relation to Notes 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 Notes of such Tranche. Copies of Final Terms relating to Notes listed on Euronext Dublin will be published on the website of Euronext Dublin at [live.euronext.com](http://live.euronext.com)

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), the Association of Lithuanian Banks, Macrobond and Riksbank – where indicated with references to third party sources herein. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by 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 Notes, 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.

Other than in relation to the information which is deemed to be incorporated by reference herein (see "Information Incorporated by Reference"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the Central Bank of Ireland.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained or incorporated by reference in this Base Prospectus, in the Dealer 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 Notes, any Pricing Supplement or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer, any of the Dealers or the Trustee (as defined under "Terms and Conditions of the Notes").

None of this Base Prospectus, any financial statements and any other information supplied in connection with the Programme or any Notes is intended to provide the basis of any credit or other evaluation of the Issuer. Neither this Base Prospectus nor any Final Terms or, in the case of Exempt Notes, any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms or, in the case of Exempt Notes, any Pricing Supplement should subscribe for or purchase any Notes. Each recipient of this Base Prospectus, any Final Terms or, in the case of Exempt Notes, any Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

This Base Prospectus is to be used by the recipient hereof solely in connection with evaluating an investment in debt instruments issued by the Issuer under the Programme and for no other purpose. Copies of this Base Prospectus and any related offering documents must not be mailed or otherwise distributed or transmitted in or into the United States except to "qualified institutional buyers" as defined in Rule 144A under the Securities Act.

Neither the delivery of this Base Prospectus, any Final Terms or, in the case of Exempt Notes, any Pricing Supplement nor the offering, sale or delivery of any Notes shall, in any circumstances, create any implication that there has been no adverse change in the financial situation of the Issuer since the date hereof or, as the case may be, the date upon which this Base Prospectus has been most recently amended or supplemented. Investors should review, *inter alia*, the most recent financial statements of the Issuer when deciding whether or not to purchase any Notes. No representation or warranty is made or implied by the Dealers or any of their respective affiliates or the Trustee, and neither the Dealers nor any of their respective affiliates nor the Trustee 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 Issuer in connection with the Programme.

Neither the Issuer nor any of the Dealers nor the Trustee represents that this Base Prospectus may be lawfully distributed, or that the Notes may be offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. The distribution of this Base Prospectus and any Final Terms or, in the case of Exempt Notes, any Pricing Supplement, and the offering, sale and delivery of the Notes 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 Notes, any Pricing Supplement, comes are required by the Issuer 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 Notes and on the distribution of this Base Prospectus, any Final Terms or, in the case of Exempt Notes, any Pricing Supplement and other offering material relating to the Notes, see "Subscription and Sale". Neither this Base Prospectus nor any Final Terms or, in the case of Exempt Notes, 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.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed U.S.\$40,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into United States dollars at the date of the agreement to issue such Notes calculated

in accordance with the provisions of the Dealer Agreement). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of an investment in the Notes 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 Notes, the merits and risks of investing in the relevant Notes 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 Notes 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 Notes, including Notes 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 Notes 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) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

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", "USD", "U.S.\$" and "\$" refer to United States dollars; references to "CHF" refer to Swiss Francs; references to "GBP" and "£" refer to Pounds sterling; references to "CNY", "RMB" and "Renminbi" are to the lawful currency of the People's Republic of China (the "PRC") that is deliverable offshore; 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. For the purposes of this Base Prospectus, references to the "PRC" exclude the Hong Kong Special Administrative Region of the PRC ("Hong Kong"), the Macau Special Administrative Region of the PRC ("Macau") and Taiwan.

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. In the case of Notes other than Exempt Notes, any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "EU Benchmarks Regulation") or, as



the case may be, Regulation (EU) No. 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "UK 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 EU Benchmarks Regulation or, as the case may be, the FCA's register of administrators under Article 36 of the UK Benchmarks Regulation. Transitional provisions in the EU Benchmarks Regulation or, as the case may be, the UK 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 EU Benchmarks Regulation or, as the case may be, the UK Benchmarks Regulation, is a matter of public record and, save where required by applicable law, the Issuer 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 Notes or, in the case of Exempt Notes, the applicable Pricing Supplement includes a legend titled "Prohibition of Sales to EEA Retail Investors", the Notes 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 (EU) 2016/97 (the "Insurance Distribution 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 Regulation. Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended) (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

### **IMPORTANT – UNITED KINGDOM RETAIL INVESTORS**

If the applicable Final Terms in respect of any Notes or, in the case of Exempt Notes, the applicable Pricing Supplement includes a legend titled "Prohibition of Sales to UK Retail Investors", the Notes 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 UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

### **MIFID II PRODUCT GOVERNANCE / TARGET MARKET**

In respect of each issue of Notes, the applicable Final Terms or, in the case of Exempt Notes, 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 Notes and which channels for distribution of the relevant Notes are appropriate. Any person subsequently offering, selling or recommending such Notes (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 Notes (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 Notes 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 Notes is a manufacturer in respect of such Notes, but otherwise neither J.P. Morgan AG (the "Arranger") nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

#### **UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET**

In respect of each issue of Notes, the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement may include a legend titled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the relevant Notes and which channels for distribution of the relevant Notes are appropriate. Any distributor (as defined above) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of such Notes (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 Notes about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR 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 Notes, the Issuer has determined and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that all Notes 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).

#### **GUIDANCE UNDER THE HONG KONG MONETARY AUTHORITY (THE "HKMA") CIRCULAR**

In October 2018, the HKMA issued guidance on enhanced investor protection measures on the sale and distribution of debt instruments with loss-absorption features and related products (the "HKMA Circular"). Under the HKMA Circular, debt instruments with loss absorption features, being subject to the risk of being written-down or converted to ordinary shares, and investment products that invest mainly in, or whose returns are closely linked to the performance of such instruments (together, "Loss Absorption Products"), are to be targeted in Hong Kong at professional investors (as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and its subsidiary legislation, "Professional Investors") only and are generally not suitable for retail investors in either the primary or secondary markets.

#### **IMPORTANT – CANADA**

THE NOTES MAY BE SOLD ONLY TO PURCHASERS PURCHASING, OR DEEMED TO BE PURCHASING, AS PRINCIPAL THAT ARE ACCREDITED INVESTORS, AS DEFINED IN NATIONAL INSTRUMENT 45-106 PROSPECTUS EXEMPTIONS OR SUBSECTION 73.3(1) OF THE

SECURITIES ACT (ONTARIO), AND ARE PERMITTED CLIENTS, AS DEFINED IN NATIONAL INSTRUMENT 31-103 REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS. ANY RESALE OF THE NOTES MUST BE MADE IN ACCORDANCE WITH AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE PROSPECTUS REQUIREMENTS OF APPLICABLE SECURITIES LAWS. SECURITIES LEGISLATION IN CERTAIN PROVINCES OR TERRITORIES OF CANADA MAY PROVIDE A PURCHASER WITH REMEDIES FOR RESCISSION OR DAMAGES IF THIS BASE PROSPECTUS (INCLUDING ANY AMENDMENT THERETO) CONTAINS A MISREPRESENTATION, PROVIDED THAT THE REMEDIES FOR RESCISSION OR DAMAGES ARE EXERCISED BY THE PURCHASER WITHIN THE TIME LIMIT PRESCRIBED BY THE SECURITIES LEGISLATION OF THE PURCHASER'S PROVINCE OR TERRITORY. THE PURCHASER SHOULD REFER TO ANY APPLICABLE PROVISIONS OF THE SECURITIES LEGISLATION OF THE PURCHASER'S PROVINCE OR TERRITORY FOR PARTICULARS OF THESE RIGHTS OR CONSULT WITH A LEGAL ADVISOR. PURSUANT TO SECTION 3A.3 (OR, IN THE CASE OF SECURITIES ISSUED OR GUARANTEED BY THE GOVERNMENT OF A NON-CANADIAN JURISDICTION, SECTION 3A.4) OF NATIONAL INSTRUMENT 33-105 UNDERWRITING CONFLICTS (NI 33-105), THE DEALERS ARE NOT REQUIRED TO COMPLY WITH THE DISCLOSURE REQUIREMENTS OF NI 33-105 REGARDING UNDERWRITER CONFLICTS OF INTEREST IN CONNECTION WITH THIS OFFERING.

### **AVAILABLE INFORMATION**

FOR AS LONG AS ANY OF THE NOTES REMAIN OUTSTANDING AND ARE "RESTRICTED SECURITIES" WITHIN THE MEANING OF RULE 144(a)(3) UNDER THE SECURITIES ACT, THE ISSUER HAS AGREED THAT IT WILL, DURING ANY PERIOD IN WHICH IT IS NEITHER SUBJECT TO THE REPORTING REQUIREMENTS OF SECTION 13 OR 15(d) UNDER THE UNITED STATES SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "EXCHANGE ACT"), NOR EXEMPT FROM REPORTING UNDER THE EXCHANGE ACT PURSUANT TO RULE 12g3-2(b) THEREUNDER, FURNISH, UPON REQUEST, TO ANY PERSON IN WHOSE NAME SUCH RESTRICTED SECURITIES ARE REGISTERED, TO ANY OWNER OF A BENEFICIAL INTEREST IN SUCH RESTRICTED SECURITIES, AND TO ANY PROSPECTIVE PURCHASER OF SUCH RESTRICTED SECURITIES OR BENEFICIAL INTEREST THEREIN DESIGNATED BY ANY SUCH PERSON OR BENEFICIAL OWNER, IN CONNECTION WITH RESALE OF A BENEFICIAL INTEREST IN SUCH RESTRICTED SECURITIES BY SUCH PERSON OR BENEFICIAL OWNER, AS THE CASE MAY BE, THE INFORMATION SPECIFIED IN RULE 144A(d)(4) UNDER THE SECURITIES ACT. THIS COVENANT IS INTENDED FOR THE BENEFIT OF THE HOLDERS (AS DEFINED BELOW), AND PROSPECTIVE PURCHASERS DESIGNATED BY SUCH HOLDERS, FROM TIME TO TIME OF BENEFICIAL INTERESTS IN THE NOTES.

### **STABILISATION**

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES, 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 NOTES, THE APPLICABLE PRICING SUPPLEMENT MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, 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 NOTES 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 NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF NOTES. 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.

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## 1 Overview of the Programme

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*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 Notes. Any investor should carefully read the entire Base Prospectus before investing, including "Risk Factors", the audited consolidated financial statements of the Issuer incorporated by reference in this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement. Each decision to invest in any Notes should be based on an assessment of the entire Base Prospectus.*

This Overview of the Programme constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980.

*Words and expressions defined in "Terms and Conditions of the Notes" or elsewhere in this Base Prospectus shall have the same meanings in this overview.*

Issuer:	Swedbank AB (publ)
Issuer Legal Entity Identifier (LEI):	M312WZV08Y7LYUC71685
Website of the Issuer:	<a href="http://www.swedbank.com">www.swedbank.com</a>
Arranger:	J.P. Morgan AG
Dealers:	Barclays Bank Ireland PLC, BNP Paribas, BofA Securities Europe SA, Citigroup Global Markets Europe AG, Citigroup Global Markets Limited, Credit Suisse Securities Sociedad de Valores S.A., Danske Bank A/S, Deutsche Bank Aktiengesellschaft, Goldman Sachs International, HSBC Bank plc, J.P. Morgan AG, Morgan Stanley & Co. International plc, Natixis, NatWest Markets N.V., Nomura International plc, Société Générale, Swedbank AB (publ), UBS AG and UBS Europe SE and any other dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes.
Initial Programme Amount:	U.S.\$40,000,000,000 (or the equivalent in any other currency at the date of the agreement to issue any Notes) in aggregate principal amount of Notes outstanding at any one time under the Programme. The aggregate principal amount of Notes which may be outstanding under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.
Issuance in Series:	Notes will be issued in series (each, a "Series"). Each Series may comprise one or more tranches ("Tranches" and each, a "Tranche") issued on different issue dates. The Notes of each Series will all be subject to identical terms, whether as to currency, interest, maturity or otherwise, save that Issue Dates, Interest Commencement Dates and Issue Prices may be different. A Series may only be comprised of Notes in bearer form or Notes in registered form.

Form of Notes:	Notes may be issued in bearer form or in registered form, as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.
Offering and Sale:	Subject to compliance with all applicable legal and regulatory requirements, the Notes may be distributed by way of private or public placement on a syndicated or non-syndicated basis.
Currencies:	Notes may be denominated in any currency or currencies (including, without limitation, Australian Dollars ("AUD"), Canadian Dollars ("CAD"), Danish Kroner ("DKK"), Euro ("EUR" or "Euro"), Hong Kong Dollars ("HKD"), Japanese Yen ("JPY"), New Zealand Dollars ("NZD"), Norwegian Kroner ("NOK"), Pounds Sterling ("GBP"), Renminbi ("RMB" or "CNY"), Swedish Krona ("SEK"), Swiss Francs ("CHF") and United States Dollars ("USD" or "U.S.\$")) subject to compliance with all applicable legal and/or regulatory requirements and/or central bank requirements.
Status:	Notes may be issued on a senior preferred basis ("Senior Preferred Notes"), on a senior non-preferred basis ("Senior Non-Preferred Notes") or on a subordinated basis ("Subordinated Notes"), as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

*Senior Preferred Notes*

Senior Preferred Notes will constitute unsubordinated and unsecured obligations of the Issuer and the claims of Holders thereof shall, in the event of the voluntary or involuntary liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer, rank as described in Condition 3(a)(ii) in relation to the claims of other creditors.

*Senior Non-Preferred Notes*

Senior Non-Preferred Notes will constitute unsubordinated and unsecured obligations of the Issuer and the claims of Holders thereof shall, in the event of the voluntary or involuntary liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer, rank as described in Condition 3(b)(ii) in relation to the claims of other creditors.

*Subordinated Notes*

Subordinated Notes will constitute subordinated and unsecured obligations of the Issuer and the claims of Holders thereof shall, in the event of the voluntary or involuntary liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer, rank as described in Condition 3(c)(ii) in relation to the claims of other creditors.

Issue Price:	The Notes 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 Notes, the applicable Pricing Supplement.
Maturities:	<p>Notes may have any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.</p> <p>Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the UK, constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "Subscription and Sale".</p>
Redemption:	Notes (other than Exempt Notes) will be redeemable at par or, in the case of Exempt Notes only, may be redeemable at par or such other redemption amount as may be specified in the applicable Pricing Supplement, as determined between the Issuer and the relevant Dealer.
Early Redemption:	<p>Early redemption will be permitted:</p> <ul style="list-style-type: none"> <li>(i) subject to Condition 5(j), upon the occurrence of a Withholding Tax Event and where "Tax Event Call" is specified as applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, upon the occurrence of a Tax Event as described in Condition 5(b);</li> <li>(ii) in the case of Subordinated Notes, subject to Condition 5(j), where "Redemption upon occurrence of Capital Event and amounts payable on redemption thereof" is specified to be applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, upon the occurrence of a Capital Event as described in Condition 5(h); and</li> <li>(iii) in the case of Senior Preferred Notes and Senior Non-Preferred Notes, subject to Condition 5(j), where "Redemption upon occurrence of a MREL Disqualification Event and amounts payable on redemption thereof" is specified to be applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, upon the occurrence of a MREL Disqualification Event as described in Condition 5(i),</li> </ul> <p>but will otherwise be permitted only to the extent specified in the applicable Final Terms or, in the case of Exempt Notes, the</p>



applicable Pricing Supplement and subject to compliance with all applicable laws and regulations.

**Substitution or Variation:**

Where the applicable Final Terms specify or, in the case of Exempt Notes, the applicable Pricing Supplement specifies that Condition 5(k) applies to a Series of Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes, if at any time (i) (in the case of Senior Preferred Notes and Senior Non-Preferred Notes) a MREL Disqualification Event occurs and is continuing; (ii) (in the case of Subordinated Notes) a Capital Event occurs and is continuing; (iii) in any case, a Withholding Tax Event occurs and is continuing; (iv) in any case, where "Tax Event Call" is specified as applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, a Tax Event occurs and is continuing; or (v) in any case, in order to ensure the effectiveness and enforceability of Condition 18(f), the Issuer may, subject to Condition 5(j), substitute such Senior Preferred Notes, such Senior Non-Preferred Notes or such Subordinated Notes, as the case may be, for, or vary their terms so that or provided that (as the case may be) they remain or, as appropriate, become, in the case of Senior Preferred Notes, Senior Preferred Qualifying Securities, in the case of Senior Non-Preferred Notes, Senior Non-Preferred Qualifying Securities or, in the case of Subordinated Notes, Subordinated Qualifying Securities, as the case may be, as further provided in Condition 5(k).

**Interest:**

Notes may be interest-bearing or non-interest bearing.

**Benchmark Discontinuation:**

If "Benchmark Discontinuation – Independent Adviser" is specified to be applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement in relation to a Floating Rate Note or a Reset Note, in the event that the Issuer determines 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 Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer 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 4(d).

If (i) the Specified Currency is U.S. dollars and the Reference Rate specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement is SOFR Index and (ii) "Benchmark Discontinuation – ARRC SOFR" is also specified to be applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, for a Floating Rate Note, and the Issuer determines that a Benchmark Transition Event and its replacement Benchmark Replacement Date have occurred

prior to the Reference Time in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates as described in Condition 4(e).

Denominations:

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer subject to compliance with all applicable legal and/or regulatory and/or central bank (or equivalent body) requirements (see "Maturities" above), provided however, that (i) the minimum denomination of each Note admitted to trading on a regulated market within the EEA for the purposes of MiFID II or offered to the public in a Member State of the EEA or in the UK in circumstances which require the publication of a prospectus under the Prospectus Regulation or the UK Prospectus Regulation, as applicable, will be €100,000 (or, if the Notes are denominated in a currency other than Euro, the equivalent amount in such currency as at the date of issue of the relevant Notes) and (ii) Notes sold in reliance on Rule 144A under the Securities Act ("Restricted Notes") shall be issued in minimum denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.

Taxation:

Payments in respect of Notes 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 or agency 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 Issuer will (subject to the exceptions set out in "Terms and Conditions of the Notes — Taxation") pay (in respect of payments of interest only) such additional amounts as will result in the holders of Notes or Coupons ("Holders") receiving such amounts as they would have received in respect of such Notes or Coupons had no such withholding or deduction been required.

Negative Pledge:

None.

Cross-Default:

None.

Governing Law:

The Notes, 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 Notes and Clause 3 of the Trust Deed shall be governed by, and construed in accordance with, Swedish law.

Swedish Statutory  
Absorption powers:

Loss

The Notes will be subject to Swedish Statutory Loss Absorption Powers, as described in "Terms and Conditions of the Notes –

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

**Listing and Admission to Trading:** Application has been made to Euronext Dublin for certain Notes issued under the Programme to be admitted to the Official List and to trading on the Regulated Market of Euronext Dublin.

In addition, application has been made to register the Programme on the SIX Swiss Exchange Ltd. Upon specific request, Notes issued under the Programme may then be listed on the SIX Swiss Exchange Ltd.

Notes 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 Issuer and the relevant Dealer in relation to the Series. Notes 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 Notes, the applicable Pricing Supplement, will state whether or not the relevant Notes 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:** Each Tranche will be the subject of the Final Terms or, in the case of Exempt Notes, the Pricing Supplement, which, for the purposes of that Tranche only, completes and/or (in the case of Exempt Notes only) such Pricing Supplement that amends and/or replaces the Terms and Conditions of the Notes and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes are the Terms and Conditions of the Notes as completed by the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement and/or (in the case of Exempt Notes only) amended and/or replaced by the applicable Pricing Supplement. See also "Exempt Notes" below.

**Exempt Notes:** The Issuer may agree with any Dealer and the Trustee that Exempt Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event the relevant provisions will be included in the relevant Pricing Supplement.

**Clearing Systems:** Euroclear and/or Clearstream, Luxembourg and/or SIS and/or DTC (each as defined in the Terms and Conditions of the Notes) in relation to any Notes, as may be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

**Selling Restrictions:** There are certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering materials in the United States of America, to retail investors in the EEA, in the UK, in Italy, in Japan, in the People's Republic of China, in Hong Kong and in Singapore. Further restrictions may be required in

connection with any particular Tranche of Notes and will be specified in the documentation relating to such Tranche.

Transfer Restrictions:	Restricted Notes originally offered and sold into the United States to "qualified institutional buyers" in accordance with Rule 144A under the Securities Act will be subject to certain restrictions on transfer.
Trustee:	BNY Mellon Corporate Trustee Services Limited
Principal Paying Agent:	Citibank, N.A., London Branch
Registrar:	Citigroup Global Markets Europe AG
Paying and Transfer Agent:	The Bank of New York Mellon SA/NV, Luxembourg Branch
Exchange Agent:	Citibank, N.A., London Branch

## 2 Risk Factors

*Investing in the Notes 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 Notes could decline, in which case an investor may lose some or all of the value of its investment. Swedbank believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but it may be unable to pay interest, principal or other amounts on or in connection with Notes for other reasons which may not be considered significant risks by Swedbank based on information currently available to it or which it may not currently be able to anticipate and Swedbank does not represent that the statements below regarding the risks of holding any Notes are exhaustive.*

*Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.*

### 2.1 Risks Relating to the Issuer's Financial Situation

#### ***2.1.1 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, the risk that a counterparty, e.g. a borrower, fails to meet its contractual obligations towards the Group and the risk that the pledged collateral does not cover the claims. A deteriorating macroeconomic environment, major structural changes in specific industries, or an increased risk profile of the Group's credit portfolio could result in further provisioning and/or higher capital requirements. If the market value of collateral securing the payment of the loans made by the Group declines, the collateral may be insufficient to cover the loans.

The Group uses through the cycle estimates of probability of default for calculating its regulatory capital requirements. If the risks in the Group's credit portfolio increase, it would result in downgrades in the risk classification system. Any downgrades could result in a higher regulatory capital requirement, which could lead to the Group having to raise 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 prevailing market conditions which may prove inadequate if market conditions deteriorate. 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 (e.g., previously known oil-related problem loans ongoing since 2015 within LC&I resulted in higher credit impairments) and/or an increase in risk exposure amount ("REA"), which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

There can be no assurance that the Group will not experience materially lower credit recoveries or higher impairments in the future.

#### ***2.1.2 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 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 at all or on favourable terms. This could have a material 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.

In addition, an increase in interest rates and/or widening of credit spreads, as well as any restriction on the availability of credit, including, but not limited to, interbank credit, can affect 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 increase the Group's funding costs or 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.

The availability of financing is also affected by 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 or otherwise. 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. This could have a material adverse effect on the Group's liquidity position, funding maturity profile and operating results. For more information about recent regulatory changes to capital requirements, see "— 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."

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

On 26 March 2020, S&P lowered Swedbank's long-term and short-term issuer credit rating on Swedbank AB and its core subsidiary Swedbank Mortgage AB. On 2 April 2020, Moody's downgraded Swedbank's long-term deposit and senior unsecured debt ratings, junior senior unsecured debt ratings, subordinated debt ratings and baseline credit assessment. On 3 April 2020, Fitch downgraded Swedbank's long-term Issuer Default Rating ("IDR") and Viability Rating ("VR"). The downgrades follow the Swedish Financial Supervisory Authority ("SFSA") and Estonian Financial Supervisory Authority ("EFSA") finding of serious anti-money laundering deficiencies and regulatory misconduct at Swedbank between 2015 and the first quarter of 2019 as a result of investigations into Swedbank's Baltic subsidiaries, as well as Swedbank's disclosure of the findings of its independent investigation by an external law firm, Clifford Chance LLP. Any downgrade of Swedbank's credit rating, 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. Any fines or sanctions imposed on the Group by relevant authorities, including the SFSA, which imposed an administrative fine of SEK 4 billion on the Group on 19 March 2020, could have an adverse impact on the Group's credit rating.

**2.1.4 *The Group may be unable to successfully foreclose on the collateral securing defaulted loans, 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 maximize the asset's realizable value. The borrower may contest enforcement of foreclosure or other compulsory measures, which may delay the foreclosure. The borrower may also seek bankruptcy protection, in which case certain regulatory measures may preclude the Group from enforcing foreclosure or pursuing 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 is 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.

***2.1.5 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 refers to the risk that the value of the Group's assets and liabilities, including derivatives, will be negatively affected by changes in exchange rates or other relevant risk factors.

The Group has currency positions through goodwill and other intangible assets which are deductible from the capital base. These currency positions are financed in SEK and are not hedged because changes in exchange rates between foreign currencies and SEK do not affect either our profit or capital base. The major single position is in EUR and relates to the Baltic operations.

In addition, the Group is subject to structural currency risks within its banking operations because it takes deposits and lends in different currencies. Currency risk also arises from the Group's trading operations, e.g., due to customer transactions. Group Treasury manages currency risk that arises from banking operations or is strategic in nature by limiting the total value of assets and liabilities (including derivatives) denominated in a single currency to a desired level using derivatives, such as cross-currency swaps and forward exchange agreements. Currency risks arising from trading operations are also managed by the use of currency derivatives.

Fluctuations in the value of foreign currencies may also have a negative impact on the Group's liquidity, as the Group's overall liquidity includes balances which are held in foreign currencies. As the foreign currency balances value varies, the liquidity reserve value will also fluctuate. Additionally, fluctuations in the value of foreign currencies may also have a negative impact on the Group's capital position, since a portion of the Group's capital and REA is denominated in foreign currencies.

### **2.1.6 *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 could be 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. 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.

### **2.1.7 *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 ratios, eligible liability levels and solvency levels prescribed by law in each of the jurisdictions in which the Group operates. If the capital or eligible liabilities of the Group are not sufficient to meet the applicable requirements or if the applicable requirements increase or the rules concerning what counts as capital or eligible liabilities change, 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 favourable terms, which would have a material adverse effect on the Group's business, financial condition and results of operations.

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

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. For further detail, see "Certain Regulatory Considerations." Changing regulations may make it expensive or difficult for the Group to maintain its capital adequacy requirements.



In November 2018, the SFSA published a memorandum explaining its view of the EBA's updated guidelines on banks' internal risk classification systems. In particular, the SFSA required Swedish banks to analyse their internal risk classification systems to ensure that they comply with updated requirements. Since these new models have not yet been implemented, there is uncertainty as to how the changes will affect Swedbank. However, the implementation of new models is expected to increase Swedbank's REA.

The proposed reforms to Basel III, including the output floor of 72.5 per cent, are expected to increase the 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. If the REA and capital requirements are increased for Swedbank, it 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 favourable terms, which would have a material adverse effect on the Group's business, financial condition and results of operations. The implementation date for most of the proposed reforms was 1 January 2022 but this has now been extended to 1 January 2023 in response to the COVID-19 pandemic; the output floor requirements are intended to be phased in over a five-year period following 1 January 2023, ending on 1 January 2028.

## **2.2 Risks Relating to the Issuer's Operational and Strategic Situation**

### **2.2.1 *IT and other systems and infrastructure on which the Group depends are subject to disruptions and failures for a variety of reasons which could be outside the Group's control.***

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
- 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.

The Group's 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 2020, the Group occasionally experienced system disruptions that affected customer access to services. Examples of such incidents include:

- An incident in February 2020 during planned maintenance work to reconfigure a faulty network controller in one of the Group's Swedish data centres impacted all service delivery channels in Sweden (i.e., cards, internet and mobile banking, Swish payments, contact centres, branch networks, trading and back-office functions) and certain services in the Baltics (including mobile and internet banking, payments and branch services), causing major customer outages.
- A disruption in April 2020 in Swish service that lasted slightly over an hour due to issues between Swish and its third-party vendor Tele2. During the disruption, which also affected other banks, approximately 99,000 Swish transactions were not initiated/processed for Swedbank.
- An incident in April 2020 involving Smart ID service provider SK ID Solutions in the Baltics, which had major and critical impacts on PB services, in particular e-channels using smart ID for customer login and various payments services in the Baltic region. In total, 156,537 instant payment transactions could not be processed.
- An external attack in October 2020 on Swedbank's network, which caused disturbances in its systems affecting all internal and external customers. The greatest impact was on Mobilbanken in Sweden, which included two outages, affecting more than 100,000 customers.

These incidents are not an exhaustive list, but examples of availability issues that have affected customers during 2020. The primary impact from such incidents is reputational, but can also have a financial impact due to lost business and additional costs related to incident management and recovery.

### **2.2.2 *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 faces higher economic and political risks in these markets, including the potential for additional economic volatility, recession, inflationary pressure, exchange rate fluctuation risk and changes in law or tax policy. The current geopolitical situation in Russia and Belarus, 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 the levels of economic activity. In addition, the Group may face a risk of money laundering activity in the Baltic countries. As discussed in "—The Group is exposed to money laundering, terrorist financing and financial sanctions risks, and has been and is currently, subject to investigations by certain authorities into allegations that the Group may have processed money laundering transactions and may have violated OFAC sanctions", 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.

### ***2.2.3 The Group is exposed to concentration risk***

The Group is exposed to geographic concentration risk in the form of exposure to Sweden. For the full-year 2020, the Swedish Banking business segment generated 60 per cent of the Group's revenues and 70 per cent of its profits (in each case excluding Group Functions & Other) and therefore a downturn in this segment could materially impact the Group. The Group is also exposed to sector concentration risk due to a large share of its loans are private mortgages or to the property management industry. Private mortgage loans constituted 58 per cent of Swedbank's total loan portfolio as of 31 December 2020, with 90 per cent of the private mortgage loans in Sweden and the remaining 10 per cent in the Baltic countries. Property management was the largest corporate sector and constituted 15 per cent of the total loan portfolio and 46 per cent of the corporate portfolio as of 31 December 2020. The property management portfolio was distributed in Sweden (83 per cent), Baltic countries (9 per cent) and Norway and Finland (8 per cent) as of 31 December 2020. The economic situation and/or increased market competition in Sweden or deteriorating conditions in this sector could have a material adverse effect on the Group's business, financial condition and results of operations.

### ***2.2.4 The Group's activities may be subject to cybercrime attacks.***

Swedbank's activities continue to be exposed 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 particular, the Group is the subject of cyber fraud attempts, which 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 and employees, 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. Swedbank may need to compensate customers for their losses unless the customer has been grossly negligent.

The Group has experienced denial of service attempts against its infrastructure on a reoccurring basis, causing minor impacts on availability of services; such attacks may increase in frequency or severity. The Group also expects to face increased 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 proposed technical standards on strong customer authentication. In 2019, the EBA published new guidelines that provide details on how financial institutions should address information and communication technology ("ICT") and security risks. See "—The Group's business is subject to substantial regulation and supervision and can be adversely affected by adverse regulatory, taxation and governmental developments."

The Group may continue to experience security breaches or unexpected disruptions to its systems and services. For instance, an external distributed denial-of-service ("DDos") attack in January 2021 on Swedbank's network caused disturbances in its systems affecting external customers, particularly customers of Internetbank and Mobile App in Sweden. 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.

#### **2.2.5 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, and impact its capital and eligible liability levels. Recently, IFRS 9, IFRS 16 and IFRS 17 have all been introduced. Implementation of IFRS 9 resulted mainly in changes in the presentation of the Group's accrued interest and changes in the estimates and assumptions related to credit impairment provisions in 2018 compared to 2017. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. These amendments were implemented in 2018 and 2019. IFRS 17 establishes principles for recognition, presentation, measurement and disclosure of insurance contracts. IFRS 17 was issued in May 2017. In June 2020, IASB decided to defer the effective date to 1 January 2023. IFRS 17 has not yet been approved by the EU.

As a consequence of changes in accounting and reporting standards, the Group may need to obtain additional capital and eligible liabilities in the future and may not be able to obtain new equity capital or debt financing qualifying as regulatory capital or eligible liabilities 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.

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

As of 31 December 2020, substantially all of the Group's Swedish retail mortgage portfolio was in the cover pool of Swedbank's wholly owned subsidiary, Swedbank Mortgage. The retail mortgages issued by Swedbank Mortgage comprise the cover pool and thereby serve as security for holders of the covered bonds issued by Swedbank Mortgage and for counterparties under derivatives contracts entered into for hedging purposes in relation to such covered bonds. These mortgages do not form part of the general assets of Swedbank that would be available to holders of the Notes in the case of insolvency or liquidation of Swedbank. 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 Notes are unsecured obligations of Swedbank, and Holders are structurally subordinated to the covered bondholders and hedge counterparties with respect to the covered bonds. Holders are not likely to ever have access to the cover pool securing the covered bonds issued by Swedbank Mortgage and the related derivatives if Swedbank should become insolvent or be liquidated.

#### **2.2.7 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, which is a multi-employer occupational pension for Swedish banks. The Group is subject to 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 pension schemes so that the plan assets cover obligations in accordance with 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.

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

Entities within the Group could be involved from time to time in legal proceedings or be subject to investigations 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 investigations, or publicity surrounding such legal or regulatory proceedings, could adversely impact the Group's business, reputation, financial condition and results of operations. For further details, please see "[—Risks Relating to Internal Control and Compliance—The Group is exposed to money laundering, terrorist financing and financial sanctions risks, and has been and is currently, subject to investigations by certain authorities into allegations that the Group may have processed money laundering transactions and may have violated OFAC sanctions]" and "Swedbank—Legal Proceedings."

**2.2.9 *In order to successfully compete, the Group depends on the recruitment and retention of highly skilled individuals.***

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, 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 increased cost efficiency could also result in lower 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. On 13 January 2020, Erik Ljungberg was appointed as the new Head of Group Communication and Sustainability, taking office on 1 July 2020. On 14 March 2020, Rolf Marquardt was appointed the new Chief Risk Officer ("CRO"), taking office on 4 September 2020. On 9 July 2020, Swedbank announced that Charlotte Rydin was recruited as the new Chief Legal Officer ("CLO") and Head of Group Legal, taking office in January 2021

and Jon Lidfelt (previously acting Head of Baltic Banking) was appointed the new Head of Baltic Banking, taking office on 1 August 2020. On 15 January 2021, it was announced that Ola Laurin stepped down as the head of LC&I and would leave the Group. Björn Meltzer will serve as the acting head of LC&I and the recruitment of a permanent replacement has begun.

Prolonged changes in management may lead to a decline in employee morale or employee engagement and may result in increased employee turnover. Employee competence and dedication to customer service impacts the Group'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 prioritize 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.

#### **2.2.10 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 the Group's expectations, 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 recognized, which could have a material adverse effect on the Group's business and financial condition results of operations.

### **2.3 Risks Relating to the Issuer's Business Activities and Industry**

#### **2.3.1 Swedish households have high levels of household debt and may be exposed to a risk of a decrease in housing prices. Regulatory responses to these concerns also pose risks for the Group.**

A significant portion of the Group's profits are generated by Swedbank Mortgage. Swedbank Mortgage's credit risks arise primarily in its lending to the public, consisting of private individuals, tenant-owner associations and the agriculture and forestry and property management sectors. As of the date of this Base Prospectus, 80 per cent of Swedbank Mortgage's credit portfolio consists of lending to private individuals and is secured by single-family homes and tenant-owned apartments. 15 per cent consists of lending to residential and commercial real estate properties (mainly owned by tenant-owner associations and property management companies).

In recent years in Sweden, low interest rates (with real interest rates on mortgages in Sweden decreasing from 8.5 per cent to 1.4 per cent between 1995 and 2020), historically low inflation, 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. As of 31 December 2020, housing prices have more than tripled since 2000. In 2020, housing prices continued to increase after a temporary decline in 2017. In annual terms, housing prices increased by 11.5 per cent in December 2020, supported primarily by low interest rates, lack of housing and a solid labour market.

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 estimated household debt-to-disposable income ratio at 185 per cent as of the beginning of 2021, according to the Swedish Central Bank's December 2020 forecast. A shortage of housing, low interest rates and higher house prices have led to a rapid increase in the volume of home lending. As of 2019, 39.8 per cent of the household total mortgage stock in Sweden had a floating interest rate (with adjustments more frequently than annually), which means households were 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. If interest rates increase, Swedish households may no longer be able to afford their mortgage payments or new households may be deterred from entering the mortgage market, which could in turn decrease housing prices. If housing prices decrease, households may owe more on their houses than their property is worth, which may increase default rates among Swedish borrowers. As the Group, through Swedbank Mortgage, is one of Sweden's leading mortgage lenders with a market share of 23 per cent as of 31 December 2020<sup>1</sup>, any increase in default rates whether due to a decrease in housing prices or otherwise could, in turn, have a material adverse effect on the Group's business, financial condition and results of operations.

Additionally, 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, net assets and/or wealth and consumption, which would in turn have an effect on the broader economy.

Successive Swedish governments have implemented policies to attempt to mitigate these risks and secure financial stability. However, such measures may be inadequate or have unpredictable consequences. 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. While discussions about reductions in interest deductibility have intensified, political consensus on this matter has not been reached. If such macro prudential tools are implemented and prove to be too stringent, this could have a negative impact both on Swedish growth and on the real estate market.

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

The Group is subject to 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. With the current low (and in some cases negative) interest rate environment 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. Due to regulations, the Group is also required to maintain a liquidity buffer, mainly consisting of central bank assets, that is also sensitive to changes in interest rates.

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<sup>1</sup> Statistics Sweden (Sw: Statistiska Centralbyrån, SCB), 2021-01-31, [www.scb.se](http://www.scb.se).

Interest rates are sensitive to several factors over which the Group has no 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 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. 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. The Group does not hedge all its risk exposure and cannot assure that its hedging strategies will be proven effective. The Group may find it challenging 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.

**2.3.3 *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.

**2.3.4 *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.***

In the event of dislocation of financial markets, the fair value of certain of the Group's assets may decline significantly, causing the Group to record mark-to-market losses. The fair value may also fluctuate over short periods of time. In addition, these market conditions may affect the availability of observable market data. As a result, 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.

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 internal valuation models (mark-to-model). These models are generally based on observable market data, meaning the prices of financial instruments that are as similar in nature as possible to the instrument being valued and for which quotes are available in the market. These values are then adjusted to best reflect the value of the Group's securities.

Market fluctuations, particularly 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.

The Group's level of fees and returns from its equity investments in its insurance 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.

**2.3.5 *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 or a decline in customer satisfaction 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. Competition in the Swedish mortgage market, one of the Group's core areas, has increased in recent years and has had and may continue to have a negative effect on the Group's margins in the future. 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, 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. However, the Group expects that in order to remain competitive, it will need to continuously improve customer offerings and cost efficiency to produce increased customer value. 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.

### **2.3.6 *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 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.

## **2.4 Risks Relating to Internal Control and Compliance**

### **2.4.1 *The Group is exposed to money laundering, terrorist financing and financial sanctions risks, and has been and is currently, subject to investigations by certain authorities into allegations that the Group may have processed money laundering transactions and may have violated OFAC sanctions.***

The Group is subject to anti-money laundering, terrorist financing and sanctions laws and regulations. These laws and regulations are continually evolving, and compliance by the Group 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.

Violations of anti-money laundering laws and regulations, including in connection with the allegations and investigations discussed below, 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.

The Group has been, and is in certain cases currently, under investigation by the SFSA, the EFSA, the Estonian state prosecutor's office and U.S. authorities due to allegations that customers who may have been involved in money laundering transferred significant sums of money through the Group's Baltic subsidiaries.

On 19 March 2020, the SFSA concluded that, during the period 2015 to the first quarter of 2019, Swedbank had large deficiencies in its governance of anti-money laundering measures in its Baltic subsidiaries. The SFSA also found that Swedbank had deficiencies in its Swedish Banking operations, and therefore has not met anti-money laundering requirements in its Swedish operations and that it did not sufficiently address the risk of money laundering in the Baltics. In addition, the SFSA noted that in their opinion, in some instances, Swedbank withheld documentation and information and, in one case, in March 2019, that Swedbank also provided the SFSA with false information. The SFSA issued a warning to Swedbank and imposed an administrative fine of SEK 4 billion, which Swedbank charged as an expense in the first quarter of 2020, for both the investigation regarding Swedish Banking anti-money laundering and

counter-terrorist financing processes, initiated in 2018 and the investigation regarding Swedbank's internal control and governance of anti-money laundering measures in the Baltic operations, initiated in 2019.

On the same day, the EFSA concluded that the Estonian subsidiary had severe deficiencies in its anti-money laundering risk control systems and the bank failed to meet its anti-money laundering requirements. The EFSA issued a precept requiring the Estonian subsidiary to take comprehensive measures to properly understand and mitigate past and current risks, in addition it must review and amend its organizational framework to more effectively manage risks. On 19 November 2020, Swedbank AS submitted a final report describing the actions taken to comply with the EFSA precept. On 28 January 2021, the EFSA determined that the activities of Swedbank AS and the evidence presented in the final report were adequate and that the matter did not require additional remarks. The EFSA is expected to follow up with implementation activities as part of its regular supervisory inspections.

The issue of whether money laundering or other criminal acts took place in the Group is currently being investigated by the Estonian Prosecutor's Office. If the Estonian Prosecutor's Office finds evidence of money laundering or other criminal acts, it could charge individuals or Swedbank's Estonian subsidiary with criminal liability, which could include imprisonment for convicted individuals or a fine of up to EUR 16 million per conviction, though Swedbank does not have any information as to whether the Estonian subsidiary will be treated as a suspect in this case. Any additional fines or sanctions imposed on the Group could have an adverse impact on the Group's business operations or reputation.

In addition to the investigations regarding anti-money laundering controls, U.S. authorities are also investigating whether any crimes or fraud were committed in connection with Swedbank's disclosure of information regarding anti-money laundering issues. The Group does not currently know when the investigations may be concluded, or whether any sanctions or penalties may be imposed.

In addition, on 11 March 2020, Swedbank notified the U.S. Treasury's Office of Foreign Assets Control ("OFAC") of 586 (which figure was corrected to 540 in December 2020) transactions by the Baltic subsidiaries, amounting to approximately USD 4.8 million (which figure was corrected to USD 4.5 million in December 2020), that constitute potential sanctions violations (based on the OFAC country-based sanctions list). OFAC penalties generally can include significant fines (USD 250,000 or twice the amount of each underlying transaction up to USD 1,075,000 per violation) and potential jail time for culpable individuals.

In addition, on 18 September 2020, Swedbank received notification from the SFSA that it was investigating Swedbank for suspected historical breaches of the regulation on market abuse ("MAR"). The investigation encompasses the period from 20 September 2018 to 20 February 2019 and pertains to disclosure of inside information and the obligation to establish an insider list (Articles 17 and 18) in connection with the disclosure of suspected money laundering within Swedbank.

There can be no assurance that other authorities will not take similar actions against the Group, including the imposition of fines which may be significant and have an adverse effect on the Group's financial condition and results of operations. As of the date of this Base Prospectus, Swedbank is not aware of when the investigations by other authorities may be concluded, or whether any additional sanctions or penalties may be imposed. For further details, please see "Swedbank—Legal Proceedings."

The Group's independent auditor, PricewaterhouseCoopers AB ("PwC"), audited administration of the Board of Directors and the Managing Directors for the financial year 2019.

PwC recommended that the shareholders not discharge the former CEO from liability based on the fact that the outcome of the various investigations is uncertain. As the Group may be subject to corporate fines or significant sanctions, PwC could not exclude the potential harm derived from the former CEO's actions. The Board of Directors of Swedbank has decided not to file claims for damages against its former Chairs and CEO for the time they were employed in the fiscal year 2019. However, the Board did decide in 2020 to cancel the severance agreement with the former CEO. For further details, please see "Swedbank—Legal Proceedings."

In February 2019, the Group hired an external law firm, Clifford Chance LLP, to lead an internal investigation to identify historical deficiencies in Swedbank's anti-money laundering systems and controls from January 2007 through March 2019 and an assessment of potential non-compliance by Swedbank's Baltic subsidiaries or their customers with OFAC sanctions regulations. On 23 March 2020, the Group announced the findings of the investigation, which have been published in a detailed report by Clifford Chance LLP on the investigation and its principal findings, and are summarized under "Swedbank—Legal Proceedings—Clifford Chance Investigation." In respect to the investigation of the Group's anti-money laundering systems and controls, Clifford Chance LLP concluded that the Group, throughout the period from January 2007 to March 2019 and to varying degrees across LC&I, Swedish Banking and Baltic Banking, had inadequate systems and controls to ensure proper management of anti-money laundering and economic sanctions risks from its customer base, thus exposing Swedbank and its Baltic subsidiaries to significant anti-money laundering and sanctions risk. The risk was most prevalent in the Baltic subsidiaries, primarily in Estonia from its high risk non-resident ("HRNR") business. The investigation also found that Swedbank's senior management historically failed to establish clear lines of anti-money laundering responsibilities, particularly as between the business and the Group's compliance function.

There can be no assurance that its Group-wide anti-money laundering and counter-terrorist financing and sanctions compliance policies and procedures will effectively 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. The Group has experienced a decline in customer satisfaction and trust in relation to reputational harm related to these investigations. If the Group is unable to successfully combat this, it may, as a result, have a material adverse effect on the Group's financial condition and results of operations.

**2.4.2 *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 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 be inadequate for the purpose of risk management. If any gaps in risk management exist, the Group may make decisions based on faulty information, which may in turn have a material adverse effect on the Group's business, financial condition and results of operations.

**2.4.3 *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 is required to implement policies on corporate governance on a Group-wide level and address potential conflicts of interest and compliance with applicable laws. The Group is also subject to the potential risk of employee fraud.

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 of interest, or if the Group is seen as failing to identify, or deal appropriately with, conflicts of interest or employee fraud.

There is no assurance that the framework the Group has regarding conflicts of interest will prevent all instances of actual or perceived conflicts of interest. Any actual or perceived conflict of interest or fraud, 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.

## **2.5 Risks Relating to Macro-economic and Political Events**

### **2.5.1 *The Group's business, financial condition and results of operations may be adversely affected by uncertainties about the strength of the Eurozone and other geopolitical risks.***

EU member states and public finances in Europe face many challenges, including those related to demographic and political trends. The UK withdrew from the EU ("Brexit") on 31 January 2020 and announced on 24 December 2020 that they had reached agreement on a draft EU-UK Trade and Cooperation Agreement ("TCA") covering trade in goods and in services, digital trade, intellectual property, public procurement, aviation and road transport, energy, fisheries, social security coordination, law enforcement and judicial cooperation in criminal matters, thematic cooperation and participation in EU programmes. However, the TCA does not cover financial services, other than through a general undertaking to ensure the implementation and application of internationally agreed standards in the financial services sector for regulation and supervision, leaving the decisions of "equivalence" and "adequacy" to be determined by each side unilaterally in due course. The UK Parliament ratified the UK's entry into, and implementation of, the TCA on 30 December 2020 pursuant to the EU (Future Relationship) Act 2020. More broadly, the impact of Brexit on the economic outlook of the Eurozone and the UK, and associated global implications, remain uncertain, particularly in relation to the financial services sector. 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 contributed to the sense that geopolitical risks in Europe remain an area of focus during 2021.

Other geopolitical events, such as deteriorating trade relations, could result in volatility in oil prices and in turn negatively impact the global economy. In turn, sluggish global growth and declining world trade could have a dampening impact on Swedish export industries. For example, credit impairments increased in 2020, mainly due to increased provisions driven by the deteriorating macroeconomic outlook.

As a result of the various global macroeconomic trends, such as uneven growth, the Group may 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, which could have a material adverse effect on the Group's business, financial condition and results of operations.

**2.5.2 *The global coronavirus pandemic has led to significant volatility in financial, commodities and other markets and could harm the business and results of operations of the Group.***

An outbreak of a novel strain of coronavirus ("COVID-19"), which first emerged in China in late December 2019, has since spread to other parts of the world, including Sweden and other markets. In March 2020, the World Health Organization declared COVID-19 to be a pandemic. Given the ongoing and dynamic nature of the circumstances, it is difficult to predict the impact of the coronavirus pandemic on the Group's business. The impact to date has included a sharp decline in consumption and travel and disruption in global supply chains, which in combination with general uncertainty regarding the evolution and resolution of the pandemic, has resulted in significant volatility in financial, commodities and other markets and substantial harm to the global economy.

In addition, measures by various governments to reduce the spread of COVID-19 have led to a sharp decline in economic activity, resulting in the closure of a number of companies and rising unemployment. According to the International Monetary Fund ("IMF") World Economic Outlook (January 2021), global GDP is expected to have decreased by 3.5 per cent. for 2020 as a result of the economic slowdown caused by the spread of COVID-19, which is 6.8 percentage points lower than pre-COVID-19 projections from January 2020. The forecast was revised upward compared to the IMF forecasts from June and October, when the global growth for 2020 was expected to decline by 4.9 per cent and 4.4 per cent, respectively. The pandemic significantly reduced economic growth in 2020. In Sweden, the pandemic, as well as restrictions imposed by government authorities, had the largest impact on GDP in the second quarter, resulting in an 8 per cent contraction compared to the first quarter. In the third quarter, GDP rebounded strongly by 5.0 per cent compared with the previous quarter, driven by expansive fiscal and monetary policy and a recovery in global growth, as economies around the world began to scale back restrictions and open borders. Overall in 2020, Swedish GDP is estimated to have decreased by 3.0 per cent in annual terms, and is expected to grow by 3.2 per cent in 2021, according to the Swedbank Economic Outlook from January 2021. While the Baltics have also been impacted by the pandemic, the economic impact there has been less severe than in the rest of the Eurozone. In Latvia and Estonia, GDP contracted on average by 4.5 per cent and 3.2 per cent, respectively, during the first three quarters in 2020 compared to the previous year. In Lithuania GDP decreased by 0.8 per cent during the same period.

The COVID-19 outbreak could become more severe and result in a more widespread health crisis, which, in combination with the financial consequences for corporations and individuals due to the various pandemic containment measures undertaken by governments, including lockdowns, may in turn result in protracted volatility in international markets and/or result in a deeper and extended global recession as a consequence of disruptions to nearly all economic sectors. This volatility, if it continues, or the global contraction in economic activity could have a material adverse effect on the Group's customers and on the Group's business, financial condition and results of operations.

The measures Swedbank has taken to support its customers affected by the COVID-19 pandemic, such as allowing amortisation deferrals for private and corporate customers, could have a significant effect on the Group's cash flows and liquidity. If business clients (particularly the Group's corporate customers in the retail, tourism and service industries, as well as oil-related sectors) or homeowners are unable to repay their loans due to the effects of the pandemic, this could increase default rates and result in increased credit impairments.

The financial strains caused by the COVID-19 pandemic have been and are expected to continue to be extensive in the Group's home markets, and deteriorating macroeconomic

conditions have led to an increase, and will likely lead to further increases, in the Group's credit impairments. The situation caused by COVID-19 is unique and difficult to assess.

In 2020, Swedbank's credit impairments amounted to SEK 4,334 million (SEK 1,469 million in 2019). Swedbank updated the forward-looking scenarios for its various credit portfolios in the first two quarters of 2020, but because macroeconomic forecasts now assume a more positive scenario, the relevant provisions have been reduced. The deterioration of macroeconomic indicators that typically contribute to credit risk and losses – such as GDP growth, housing and property prices, unemployment, oil prices and interest rates – has not yet resulted in a similar increase in credit losses or default rates which has historically been observed in similar economic shocks. Government and regulatory support measures and guidance on the treatment of customer impacts (for example, forbearance and payment moratoria) have significantly suppressed the impacts of COVID-19 in the short-term and there is a risk that credit quality may start to deteriorate as such measures are phased out in future periods. Quantitative risk models do not capture these complexities, nor do they capture the continued uncertainty around further COVID-19 outbreaks, which increased in frequency during the fourth quarter of 2020 and could further delay the overall economic recovery. Consequently, as the relevant models may not appropriately incorporate these dynamics, post-model adjustments to the credit impairment provisions were, and may in the future be, deemed necessary. The post-model expert credit adjustment that was recognised in the third quarter of 2020 was reviewed and retained but reallocated to more significantly affected industry segments. Total post-model expert adjustments in 2020 amounted to SEK 1,533 million.

The COVID-19 pandemic, combined with worsening labour market conditions, was expected to have an adverse effect on the Swedish housing market and housing prices. However, as reported in the Valueguard-KTH Housing Index Sweden, while housing prices fell slightly in April, they increased throughout the rest of the year, mainly for single-family homes, supported by lower interest rates and increased demand for larger living space due to the prevalence of remote working arrangements. In December 2020, housing prices were 10 per cent higher than in December 2019. The commercial real estate market was initially negatively affected by COVID-19 due to concerns about the financial markets, but recovered by the end of 2020. Economic contraction is expected to slow growth in rental levels and property values, depending on location and type of property. Property owners who are dependent on tenants in the retail, hotel, restaurant and leisure sectors risk lower rental income due to renegotiations and bankruptcies. Depending on the length and depth of the expected recession, other parts of the real estate sector could be affected as well, all of which could adversely affect borrowers' ability to repay their loans. In addition, changed work patterns, such as increased remote work, may affect the real estate market.

The extent of the impacts resulting from COVID-19 and other events beyond the Group's control will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the COVID-19 pandemic and actions taken to contain COVID-19 or its impact, among others. Any of these factors could have a material adverse effect on the Group's business, financial condition and results of operations.

The spread of COVID-19 has led the Group to modify its business practices, including the imposition of restrictions on employee travel and changes to working locations. The Group has also increased its efforts to mitigate the effects of the COVID-19 pandemic on its customers, which has led to rising costs.

The Group may take further actions required by authorities or that it determines are in the best interests of its employees, customers, partners or suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by COVID-19, and the implementation of

such measures (or their insufficiency) could harm the Group's ability to perform critical functions. The unavailability of staff could adversely impact the quality and continuity of service to customers and the reputation of the Group. Any of these factors could have a material adverse effect on the Group's business, financial condition and results of operations in addition to those described above.

**2.5.3 *Worsening economic conditions in the Group's home markets may adversely impact the Group.***

The Group's performance is significantly influenced by the general economic conditions in the countries in which it operates, in particular its home markets of Sweden, Estonia, Latvia and Lithuania, and, to a lesser degree, Norway. Economic volatility in the Group's home markets have varied in the past, and this has had a material impact on the Group's financial business condition and results of operations, such as when the Baltics entered recession in 2009 or the current impact of COVID-19.

Future volatility or downturn in the economies of Group's home markets could result in increased default rates in the Group and/or decreased lending activity which could have a material adverse effect on the Group's financial business condition and results of operations.

**2.5.4 *The Group's business, financial condition and results of operations have been and may continue to be adversely affected by fluctuations in the global financial markets.***

The global capital and credit markets have been characterised by volatility and disruption in recent years. As seen during and after the financial crisis in 2008, this 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. If similar events occur, which have similar effects on financial markets, 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. In addition, the Group may be adversely affected by the effects of the recent COVID-19 outbreak, particularly a slowing in global economic activity and significant volatility in financial markets. Any of the foregoing factors could have a material adverse effect on the Group's business, financial condition and results of operations.

**2.5.5 *The Group's business is subject to substantial regulation and supervision and can be adversely affected by adverse regulatory, taxation 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. Swedbank is subject to supervision by the SFSA and to Swedish regulations regarding, among other things, capital adequacy, liquidity and solvency (see "Certain Regulatory Considerations"). Certain of the Group's subsidiaries and operations are subject to 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. 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. For example, in late 2020, the Swedish government proposed a "risk tax" for credit institutions applicable from 1 January 2022 (6 basis points during 2022 and 7 basis points thereafter). Institutions subject to the risk tax include credit institutions with total liabilities exceeding SEK 150 billion in domestic activities. The expected tax revenue for the Swedish state is SEK 6 billion per year (and SEK 5 billion in 2022) and would in practice, if implemented, be split among the major Swedish banks. The final proposal for the law is expected to be published in June 2021; however, it is uncertain whether the proposal will be implemented and, if so, whether it will match the current proposal or be adjusted.

The Group's operations are contingent upon licenses 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 licenses. Furthermore, any breach of these or other regulations may adversely affect the Group's reputation, business, results of operations or financial condition.

Other regulations that have been implemented recently, including the GDPR, has resulted in new demands on operational processes, systems and resources. 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.

***2.5.6 The full scope and consequences of new derivatives and other financial regulations are as yet unknown and may impose additional regulatory burdens and costs that may affect the value of the Notes.***

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 and EMIR was amended in 2019 by Regulation (EU) No. 2019/834 (the "EMIR Refit") 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 further 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 Notes.

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 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. As these 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.

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

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 its 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 an adverse impact on the activity, financial situation and operating results of the Group. 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.

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 is expected to continue to be a substantial increase in governmental policy responses to market disruptions, including changes in monetary and interest rate policies. The zero or negative interest rate policy implemented by central banks, which may be prolonged due to the current pandemic-related economic volatility, may have a negative impact on the Group's net interest income. Additional governmental policy responses to prevent future crises may have both intended and unintended consequences for the Group. Recent examples of such measures include the introduction by the SFSA of amortisation requirements for borrowers of new mortgage loans in 2016 and 2018 and the risk weight floor for commercial real estate exposures in 2020. In addition, prudential regulations such as increased capital and liquidity requirements as discussed in "Certain Regulatory Considerations" may impact the Group's profitability.

## **2.6 Risks Relating to the Notes**

### ***2.6.1 Risks Relating to the Market***

#### ***2.6.1.1 The Secondary Market Generally***

The Notes may have no established trading market when issued, and one may never develop (for example, the Notes may be allocated to a limited pool of investors). If a market for the Notes 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 Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case should the Issuer be in financial distress, which may result in any sale of the Notes having to be at a substantial discount to their principal amount or for Notes 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 Notes 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 Notes.

#### *2.6.1.2 Lack of Liquidity in the Secondary Market May Adversely Affect the Market Value of the Notes*

Generally weak global credit market conditions could contribute to a lack of liquidity in the secondary market for instruments similar to the Notes. In addition, the recent liquidity crisis has limited the primary market for a number of financial products, including instruments similar to the Notes. While some measures have been taken by governments, there can be no assurance that the market for securities similar to the Notes 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 Notes to recover from these conditions could adversely affect the market value of the Notes.

#### *2.6.1.3 Exchange Rate Risks and Exchange Controls*

The Issuer will pay principal and interest on the Notes 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 Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

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

#### *2.6.1.4 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 Notes with fixed interest involve a risk that subsequent changes in market interest rates may adversely affect the value of fixed interest Notes. Investments in Notes with floating interest involve a risk of adverse changes in the interest rate payable on such Notes.

#### *2.6.1.5 Credit ratings may not reflect all risks.*

The Notes are expected to be assigned the following ratings: A+ (Senior Preferred Notes with a maturity of more than one year) BBB+ (Subordinated Notes) and A-1 (Senior Preferred Notes with a maturity of less than one year) by Standard & Poor's; Aa3 (Senior Preferred Notes), Baa2 (Subordinated Notes) and P-1 (short term) by Moody's; and AA- (Senior Preferred Notes with a maturity of more than one year), A- (Subordinated Notes) and F1+ (Senior Preferred Notes with a maturity of less than one year) by Fitch. 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 Notes. Rating agencies may change their rating methodologies, which could lead to a change in the credit ratings assigned to the relevant Notes. Accordingly, a credit rating is not a recommendation to buy, sell or hold the relevant Notes 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 Notes.

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 EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant non-EEA 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, subject to transitional provisions that apply in certain circumstances).

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a non-UK credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (i) the relevant UK registration or endorsement, as the case may be, not having been withdrawn or suspended; and (ii) transitional provisions that apply in certain circumstances. In the case of non-UK ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in any secondary market.

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 Notes is rated such rating will be disclosed in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

## **2.6.2 General Risks Relating to Notes**

### **2.6.2.1 Modification, Waivers and Substitution**

The Terms and Conditions of the Notes and the Trust Deed contain provisions for convening meetings of holders of the Notes to consider any matter affecting their interests generally.

These provisions permit defined majorities to bind all holders of the Notes 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 Notes also provide that the Trustee may agree, without the consent of the Holders and without regard to the interests of particular Holders, to (i) any modification of any provision of the Trust Deed which is of a formal, minor or technical nature or is made to correct a manifest or proven error and (ii) any other modification (except as mentioned in the Trust Deed) and any waiver or authorisation of any breach or proposed breach, of any provision of the Terms and Conditions or the Trust Deed which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Holders.

In addition, the Trust Deed contains provisions permitting the Trustee to agree, without the consent of the Holders, to the substitution of any other company in place of the Issuer, or of any previously substituted company as principal debtor under the Notes, in the circumstances described in Condition 12(c) of the Terms and Conditions of the Notes and provided always that the Trustee is satisfied that the interests of the Holders will not be materially prejudiced by the substitution.

#### *2.6.2.2 Change of Law*

The Terms and Conditions of the Notes are governed by English law (except that the provisions in the Notes under Condition 3 and Clause 3 of the Trust Deed are governed by Swedish law) in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law, Swedish law or English or Swedish administrative practice after the date of issue of the relevant Notes and any such change could materially adversely impact the value of any Notes affected by it.

#### *2.6.2.3 Notes Where Denominations Involve Integral Multiples: Definitive Bearer Notes*

In relation to any issue of Bearer Notes 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 Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a Holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in 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 Notes 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 Note in respect of such holding (should such Definitive Bearer Notes be printed or issued) and would need to purchase a principal amount of Notes such that its holding amounts to (at least) a Specified Denomination.

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

#### *2.6.2.4 Reliance on DTC, Euroclear and Clearstream, Luxembourg procedures*

Notes issued under the Programme will be represented on issue by one or more Global Notes that may be deposited with a custodian for DTC or a common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes 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 Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

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

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes 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.

#### *2.6.2.5 Differences between the Notes and bank deposits*

An investment in the Notes may give rise to higher yields than a bank deposit. However, an investment in the Notes carries risks which are very different from the risks associated with a bank deposit, with the higher yield of the Notes generally attributable to the greater risks associated with investment in the Notes.

The Notes are expected to be less liquid than bank deposits. Bank deposits are generally repayable on demand, or with notice from the depositors, whereas holders of the Notes have no ability to require early repayment of their investment other than upon the occurrence of an applicable Event of Default (see "Terms and Conditions of the Notes – Condition 6"). Furthermore, although the Notes are transferable, the Notes may have no established trading market when issued, and one may never develop. See "The Secondary Market Generally".

#### *2.6.2.6 The Notes may be subject to write-down or conversion into ordinary shares of Swedbank*

Under the terms of the BRRD, any application of the general bail-in tool or non-viability loss absorption, is to be in accordance with the hierarchy of claims in normal insolvency proceedings. Accordingly, the impact of such application on Holders of Notes 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 pursuant to the exercise of the general bail-in tool or non-viability loss absorption in combination with a resolution power, 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 Notes. The "no creditor worse off safeguard" will not apply if non-viability loss absorption is not combined with a resolution power.

Any shares issued to holders of capital instruments upon a conversion into equity following any non-viability loss absorption or bail-in may be subject to future cancellation, transfer or dilution.

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 may be subject to the application of the general bail-in tool and non-viability loss absorption, 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 Notes, including alteration of the principal amount or any interest payable on the Notes, 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, any resolution tools or the application of any non-viability loss absorption measure, or any suggestion of such exercise, could materially adversely affect the rights of Holders, the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

### **2.6.3 Risks Relating to the Structure of a Particular Issue of Notes**

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

#### **2.6.3.1 *The qualification of the Senior Preferred Notes and the Senior Non-Preferred Notes as "eligible liabilities" is subject to uncertainty***

The Senior Preferred Notes and the Senior Non-Preferred Notes are intended to be MREL Eligible Liabilities which are available to meet any MREL Requirement (however called or defined by the Applicable MREL Regulations then applicable) of the Issuer and the Group. However, the Issuer cannot provide any assurance that such Senior Preferred Notes and Senior Non-Preferred Notes will be (or thereafter remain) MREL Eligible Liabilities. There is therefore a risk that a MREL Disqualification Event may occur in relation to any such Notes.

Upon the occurrence of a MREL Disqualification Event in relation to a Series of any Senior Preferred Notes or Senior Non-Preferred Notes, as the case may be, the Issuer may, at its option but subject to Condition 5(j), (i) where the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement specifies Condition 5(i) to be applicable, redeem all (but not some only) of such Series of Senior Preferred Notes or, as the case may be, Senior Non-Preferred Notes and (ii) where the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement specifies Condition 5(k) to be applicable, either substitute all (but not some only) of such Series of Senior Preferred Notes or, as the case may be, Senior Non-Preferred Notes for, or vary the terms of such Series of Senior Preferred Notes or, as the case may be, Senior Non-Preferred Notes and/or the terms of the Trust Deed so that they remain or, as appropriate, become Senior Preferred Qualifying Securities or, as the case may be, Senior Non-Preferred Qualifying Securities. See "*The Issuer may redeem Notes prior to maturity*" and "*In certain circumstances, the Issuer can substitute or vary the terms of the Notes*" for a description of the risks related to an early redemption of Notes or the substitution or variation, as the case may be, of Notes.

#### **2.6.3.2 *Fixed/Floating Rate Notes***

Fixed/Floating Rate Notes 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 Notes as the change of interest basis may result in a lower interest return for Holders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed

rate, the fixed rate may be lower than then prevailing rates on other fixed rate Notes of the Issuer at the time and could affect the market value of an investment in the relevant Notes.

### 2.6.3.3 *Reset Notes*

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

### 2.6.3.4 *Notes Issued at a Substantial Discount or Premium*

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) 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.

### 2.6.3.5 *The Senior Non-Preferred Notes rank junior to the Issuer's unsubordinated creditors*

The Senior Non-Preferred Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer. As provided under Condition 3(b)(iii), the rights of the Holders of any Senior Non-Preferred Notes shall rank (i) junior in right of payment to the claims of depositors and other unsubordinated creditors of the Issuer that are not creditors in respect of Senior Non-Preferred Liabilities; (ii) at least *pari passu* with all other Senior Non-Preferred Liabilities of the Issuer; and (iii) senior to holders of all classes of ordinary shares of the Issuer and any subordinated obligations or other securities of the Issuer (including the Subordinated Notes) which by law rank, or by their terms are expressed to rank, junior to the Senior Non-Preferred Liabilities. If, on a liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*), the assets of the Issuer are insufficient to enable the Issuer to repay the claims of more senior-ranking creditors in full, the Holders of Senior Non-Preferred Notes will lose their entire investment in the Senior Non-Preferred Notes. If there are sufficient assets to enable the Issuer to pay the claims of senior-ranking creditors in full but insufficient assets to enable the Issuer to pay claims arising under its obligations in respect of the Senior Non-Preferred Notes and all other claims that rank *pari passu* with the Senior Non-Preferred Notes, the Holders of the Senior Non-Preferred Notes will lose some (which may be substantially all) of their investment in the Senior Non-Preferred Notes.

Although Senior Non-Preferred Notes may pay a higher rate of interest than comparable Notes which benefit from a preferential ranking, there is a risk that an investor in Senior Non-Preferred Notes will lose all or some of his investment should the Issuer become insolvent.

### 2.6.3.6 *The Issuer's Obligations under Subordinated Notes are subordinated to most of the Issuer's liabilities*

The Subordinated Notes constitute unsecured and subordinated obligations of the Issuer. As provided under Condition 3(c), the rights of the Holders of any Subordinated Notes shall, in the event of the liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer, be subordinated in right of payment to the claims of depositors and other unsubordinated creditors



of the Issuer, but shall rank at least *pari passu* with all other subordinated indebtedness of the Issuer, which in each case, by law rank, or by their terms, are expressed to rank, *pari passu*, with the Subordinated Notes. If, on a liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*), the assets of the Issuer are insufficient to enable the Issuer to repay the claims of more senior-ranking creditors in full, the Holders of Subordinated Notes will lose their entire investment in the Subordinated Notes. If there are sufficient assets to enable the Issuer to pay the claims of senior-ranking creditors in full but insufficient assets to enable the Issuer to pay claims arising under its obligations in respect of the Subordinated Notes and all other claims that rank *pari passu* with the Subordinated Notes, the Holders of the Subordinated Notes will lose some (which may be substantially all) of their investment in the Subordinated Notes.

Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated or are subordinated but not to the same extent, there is a significant risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent.

#### 2.6.3.7 Events of Default

The only Events of Default in relation to the Notes are set out in Condition 6. If a Note has been declared due and payable under Condition 6, the Trustee may institute such steps, including the obtaining of a judgment against the Issuer for any amount due in respect of the relevant Notes, as it thinks desirable with a view to having the Issuer declared bankrupt (Sw: *konkurs*) or put into liquidation (Sw: *likvidation*) but not otherwise and, consequently, if any Notes become due and payable under Condition 6, the Issuer shall, with the prior consent of the Relevant Regulator (if such consent is required), only be required to make such payment after it has been declared bankrupt (Sw: *konkurs*) or put into liquidation (Sw: *likvidation*).

#### 2.6.3.8 The Issuer may redeem Notes prior to maturity in certain circumstances

Where the applicable Final Terms specify or, in the case of Exempt Notes, the applicable Pricing Supplement specifies that Issuer Call is applicable, the Issuer may on any Optional Redemption Date, at its option, redeem all, or some only, of the relevant Notes at their Optional Redemption Amount, together with accrued interest (if any) thereon.

The Issuer may, at its option, but subject to obtaining the prior consent of the Relevant Regulator (if such consent is required), redeem the relevant Notes upon the occurrence of a Withholding Tax Event at their Early Redemption Amount, together with accrued interest (if any) thereon.

In addition to the above, where the applicable Final Terms specify or, in the case of Exempt Notes, the applicable Pricing Supplement specifies that a Tax Event Call is applicable, the Issuer may, in certain circumstances and at its option, but in each case subject to obtaining the prior consent of the Relevant Regulator (if such consent is required), redeem all (but not some only) of the relevant Notes upon the occurrence of a Tax Event at their Early Redemption Amount, together with accrued interest (if any) thereon.

In the case of Subordinated Notes only, where the applicable Final Terms specify or, in the case of Exempt Notes, the applicable Pricing Supplement, specifies that Condition 5(h) is applicable, the Issuer may, at its option, but in each case subject to obtaining the prior consent of the Relevant Regulator (if such consent is required), redeem the relevant Subordinated Notes upon the occurrence of a Capital Event at their principal amount or the amount specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, together with accrued interest (if any) thereon.

In the case of Senior Preferred Notes and Senior Non-Preferred Notes only, where the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement specifies that Condition 5(i) is applicable, the Issuer may, at its option, but in each case subject to obtaining the prior consent of the Relevant Regulator (if such consent is required), redeem all (but not some only) of the relevant Senior Preferred Notes or, as the case may be, Senior Non-Preferred Notes upon the occurrence of a MREL Disqualification Event at their principal amount or the amount specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, together with accrued interest (if any) thereon.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes pursuant to the relevant option (or during any period when it is perceived that the Issuer may be able to redeem Notes pursuant to the relevant option), the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

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

*2.6.3.9 Redemption of the Notes is subject to the prior consent of the Relevant Regulator (if such consent is required) and Holders have no right to request the redemption of the Notes*

The Notes may contain provisions allowing the Issuer to call them after a minimum period as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement (this would be expected to be at least five years in the case of Subordinated Notes), or even earlier than such specified date (and at any time) upon the occurrence of a Tax Event, a Withholding Tax Event or, in the case of Senior Preferred Notes and Senior Non-Preferred Notes only, a MREL Disqualification Event or, in the case of Subordinated Notes only, a Capital Event. If the Issuer considers it favourable to exercise any such call option, the Issuer must first obtain the prior consent of the Relevant Regulator (if such consent is required).

Holders of Notes have no rights to call for the redemption of their Notes and should not invest in Notes in the expectation that such a call will be exercised by the Issuer. In order for such Notes to be redeemed, (if such consent is required) the Relevant Regulator must first, in its discretion, agree to permit such a call, based upon its evaluation of the regulatory capital position of the Issuer and certain other factors at the relevant time. In addition, if the Issuer seeks approval to exercise a call option before five years from the date of issuance of the Subordinated Notes, the Relevant Regulator may only give its approval if certain conditions have been met. There can be no assurance that the Relevant Regulator will permit such a call or that the Issuer will exercise such a call.

Holders of Notes have no rights to call for the redemption of their Notes and should not invest in Notes in the expectation that a call option will be exercised by the Issuer. Holders of Notes should be aware that they may be required to bear the financial risks of an investment in Notes for a period of time in excess of the minimum period until the Maturity Date, which could affect the market value of an investment in the relevant Notes.

*2.6.3.10 In certain circumstances, the Issuer can substitute or vary the terms of the Notes*

Where the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement specify that Condition 5(k) applies, if at any time (i) (in the case of Senior Preferred Notes and Senior Non-Preferred Notes) a MREL Disqualification Event occurs; (ii) (in the case

of Subordinated Notes) a Capital Event occurs; (iii) in any case, a Withholding Tax Event occurs; (iv) in any case, where "Tax Event Call" is specified as applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement a Tax Event occurs; or (v) in any case, in order to ensure the effectiveness and enforceability of Condition 18(f), the Issuer may, subject to obtaining the prior consent (if such consent is required) of the Relevant Regulator (without any requirement for the consent or approval of the relevant Holders or, subject as provided in Condition 5(k), the Trustee) either substitute all (but not some only) of the relevant Notes for, or vary the terms of the relevant Notes and/or the terms of the Trust Deed (as defined under "Terms and Conditions of the Notes") so that or provided that (as the case may be) they remain or, as appropriate, become, in the case of Senior Preferred Notes, Senior Preferred Qualifying Securities, in the case of Senior Non-Preferred Notes, Senior Non-Preferred Qualifying Securities or, in the case of Subordinated Notes, Subordinated Qualifying Securities, as the case may be, as further provided in Condition 5(k). The terms and conditions of such substituted or varied Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes, as the case may be, may have terms and conditions that contain one or more provisions that are substantially different from the terms and conditions of the original Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes, as the case may be, provided that the relevant Senior Preferred Notes, the relevant Senior Non-Preferred Notes or the relevant Subordinated Notes remain or, as appropriate, become, in the case of Senior Preferred Notes, Senior Preferred Qualifying Securities, in the case of Senior Non-Preferred Notes, Senior Non-Preferred Qualifying Securities or, in the case of Subordinated Notes, Subordinated Qualifying Securities, as the case may be, in accordance with the Terms and Conditions of the Notes. No assurance can be given as to whether any changes to the terms of Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes will negatively affect any particular Holder. In addition, the tax and stamp duty consequences of holding such substituted or varied Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes could be different for some categories of Holders from the tax and stamp duty consequences for them of holding the Senior Preferred Notes, Senior Non-Preferred Notes or the Subordinated Notes prior to such substitution or variation.

#### 2.6.3.11 *No limitation on issuing debt*

There is no restriction on the amount of debt which the Issuer may issue which ranks senior to any class of Senior Non-Preferred Notes or Subordinated Notes or on the amount of securities which the Issuer may issue which ranks *pari passu* with any class of Senior Non-Preferred Notes or Subordinated Notes. As a result this may reduce the amount recoverable by Holders of Senior Non-Preferred Notes or Subordinated Notes, as the case may be, on the bankruptcy or any liquidation of the Issuer.

#### 2.6.3.12 *No right of set-off or counterclaim*

Subject as provided in the Terms and Conditions of the Notes, no Holder who in the event of the liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer shall be indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Notes (including any damages awarded for breach of any obligations under the Terms and Conditions of the Notes, if any are payable) held by such Holder.

#### 2.6.3.13 *In respect of any Notes issued with a specific use of proceeds, such as a "Green Bond", there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor*

The applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to

apply the net proceeds from an offer of those Notes specifically for projects and activities that promote climate-friendly and other environmental purposes ("Green Projects" and Notes issued thereunder to be "Green Bonds"). Prospective investors should have regard to the information in this Base Prospectus and/or the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Green Bonds together with any other investigation such investor deems necessary. Neither Swedbank nor the Dealers make any assurance or representation as to whether any Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses the subject of, or related to, the relevant Green Projects).

Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label, nor can any assurance be given that, if such a definition, market consensus or label is developed in the future, any Green Bonds will comply with such definition, market consensus or label.

A basis for the determination of such a definition has been established in the EU with the publication in the Official Journal of the EU on 22 June 2020 of Regulation (EU) 2020/852 of the European Parliament and of the Council on 18 June 2020 (the "Taxonomy Regulation") on the establishment of a framework to facilitate sustainable investment (the "EU Taxonomy"). The EU Taxonomy is subject to further development by way of the implementation by the European Commission through delegated regulations of technical screening criteria for the environmental objectives set out in the Taxonomy Regulation. On 21 April 2021, the European Commission approved in principle the first delegated act (the "EU Taxonomy Climate Delegated Act") aimed at supporting sustainable investment by making it clearer which economic activities most contribute to meeting the EU's environmental objectives. The EU Taxonomy Climate Delegated Act sets out criteria for economic activities in the sectors that are most relevant for achieving climate neutrality and delivering on climate change adaptation. This includes sectors such as energy, forestry, manufacturing, transport and buildings. Criteria for other environmental objectives will follow in a later delegated act, in line with the mandates in the Taxonomy Regulation. Until all criteria for such objectives have been developed and disclosed it is not known whether any Green Projects will satisfy those criteria. Accordingly, alignment with the EU Taxonomy, once all criteria is established, is not certain.

The Swedbank Green Bond Framework (as defined below) is subject to change in all respects at any time without notice. No assurance is or can be given to investors that any projects or uses that are the subject of, or related to, any Green Projects will meet any or all investor expectations regarding such "green", "sustainable" or other equivalently-labelled performance objectives (including the EU Taxonomy) or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Green Projects. Any Green Bonds may be subject to the application of the general bail-in tool, other resolution tools or non-viability loss absorption; see "Risk Factors – General Risks Relating to Notes - The Notes may be subject to write-down or conversion into ordinary shares of Swedbank" for further information.

Neither Swedbank nor the Dealers make any assurance or representation as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party

(whether or not solicited by the Issuer) which may or may not be made available in connection with the issue of any Notes, the Swedbank Green Bond Framework generally, or any Green Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, each of the Swedbank Green Bond Framework and any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold any such Green Bonds. Any such opinion or certification is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Green Bonds. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Green Bonds are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Green Bonds or, if obtained, that any such listing or admission to trading will be maintained during the life of the Green Bonds.

While it is the intention of the Issuer to apply the proceeds of any Green Bonds in, or substantially in, the manner described in this Base Prospectus and/or the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, there can be no assurance that the relevant project(s) or use(s) that are the subject of, or related to, any Green Projects will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally disbursed for the specified Green Projects. Nor can there be any assurance that such Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer.

Any such event or failure by the Issuer to apply the proceeds of any issue of Green Bonds for any Green Projects will not (i) constitute an Event of Default under the relevant Green Bonds; (ii) create an obligation for the Issuer to redeem the relevant Green Bonds; (iii) create an option for the Holders to redeem the relevant Green Bonds; (iv) compromise the ability of the relevant Green Bonds to qualify as MREL Eligible Liabilities or Tier 2 capital, as the case may be, or (v) create an incentive to redeem. Any such event or failure to apply the proceeds of any issue of Green Bonds for any Green Projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Green Bonds no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Green Bonds and also potentially the value of any other Green Bonds which are intended to finance Green Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

2.6.3.14 *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 Notes or Reset Notes 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 as of the date of this Base Prospectus. Certain risks relating to such benchmarks are described below.

#### *EU and UK Benchmarks Regulation*

The EU 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, among other things, (i) requires 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) prevents certain uses by EU supervised entities (such as the Issuer) of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "UK Benchmarks Regulation") among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the Financial Conduct Authority ("FCA") or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on (i) any Floating Rate Note which specifies Screen Rate Determination in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined or (ii) any Reset Note, in each case where the applicable Original 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 EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. 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 (without limitation) 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 Notes or Reset Notes linked to a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or UK Benchmarks Regulation reforms and investigations in making any investment decision with respect to any Floating Rate Notes or Reset Notes linked to a benchmark.

### *Discontinuation of benchmarks*

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. The FCA has indicated through a series of announcements that LIBOR will not continue on the current basis. In particular, on 5 March 2021, the FCA announced the future cessation or loss of representativeness of the LIBOR benchmark settings currently published by ICE Benchmark Administration Limited ("IBA"). Pursuant to the latest FCA announcement, all LIBOR settings will either cease to be provided by an administrator or no longer be representative: (i) immediately after 31 December 2021, in the case of all euro LIBOR and Swiss franc LIBOR settings, the spot next, 1-week, 2-month and 12-month Japanese yen LIBOR settings, the overnight, 1-week, 2-month and 12-month sterling LIBOR settings, and the 1-week and 2-month U.S. dollar LIBOR settings; and (ii) immediately after 30 June 2023, in the case of the overnight, 1-month, 3-month, 6-month and 12-month U.S. dollar LIBOR settings. In relation to the remaining LIBOR settings (that is, the 1-month, 3-month and 6-month sterling, U.S. dollar and Japanese yen LIBOR settings), the FCA will consult or continue to consider the case for using its proposed powers to require IBA to continue publishing these settings on a 'synthetic' basis, though publication of the 1-month, 3-month and 6-month Japanese yen LIBOR settings would cease permanently at the end of 2022. Nevertheless, the FCA confirmed that, even if it does require IBA to continue publishing any of these nine remaining LIBOR settings on a 'synthetic' basis, such settings will no longer be representative of the underlying market and the economic reality that such settings are intended to measure and representativeness will not be restored. Therefore, after 31 December 2021 (or 30 June 2023 in relation to the overnight, 1-month, 3-month, 6-month and 12-month U.S. dollar LIBOR settings) all LIBOR settings will either cease to be provided by any administrator or no longer be representative.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

The potential elimination of benchmarks, such as LIBOR, EURIBOR and other reference rates which are deemed to be "benchmarks", 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 – Independent Adviser*

If "Benchmark Discontinuation – Independent Adviser" is specified to be applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement for a Floating Rate Note or Reset Note, in the event that the Issuer determines 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 Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate. If any such Successor Rate or Alternative Rate is determined in such manner and the Issuer, 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 Notes and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate and/or Alternative Rate or any Adjustment Spread, then the Issuer shall, subject to giving notice thereof, without any requirement for the consent or approval of Holders, vary the Terms and Conditions of the Notes and/or the Trust Deed 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 Issuer, the Terms and Conditions of the Notes also provide that an Adjustment Spread may be determined by the Issuer 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 Notes 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 Issuer 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 Notes, other fallback provisions under the Terms and Conditions of the Notes may be required to be used, which may in certain circumstances result in the Rate of Interest for an Interest Accrual Period continuing to apply at the Rate of Interest applicable to the immediately preceding Interest Accrual Period, resulting in the relevant Floating Rate Notes or Reset Notes becoming, in effect, fixed rate securities (potentially until the relevant maturity date of the Notes depending on whether (i) the Issuer exercises its option to re-apply the fallback provisions contained in Condition 4(d) and (ii) (if such fallback provisions are re-applied) a Successor Rate or Alternative Rate is determined pursuant to Condition 4(d)). 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 Notes, the overall Rate of Interest payable on the relevant Floating Rate Notes or Reset Notes may be less than it would have been had no Benchmark Event occurred.

#### *Benchmark Discontinuation – ARRC SOFR*

If (i) the Specified Currency is U.S. Dollars and the Reference Rate is specified as SOFR Index in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement and (ii) "Benchmark Discontinuation – ARRC SOFR" is also specified to be applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, for a Floating Rate Note, and the Issuer determines that a Benchmark Transition



Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates as described in Condition 4(e). After such an event, interest on the relevant Notes will no longer be determined by reference to the Benchmark, but instead will be determined by reference to the applicable Benchmark Replacement.

The determination of a Benchmark Replacement, the calculation of the interest rate on the relevant Notes by reference to a Benchmark Replacement (including the application of a Benchmark Replacement Adjustment), any implementation of Benchmark Replacement Conforming Changes and any other determinations, decisions or elections that may be made under the terms of such Notes in connection with a Benchmark Transition Event, could adversely affect the value of such Notes, the return on such Notes and the price at which such Notes can be sold. Any Benchmark Replacement will likely be a relatively new market index that may be altered or discontinued.

#### *Benchmark Discontinuation - general*

Notwithstanding the provisions of Condition 4(d) or Condition 4(e), as the case may be, no Successor Rate, Alternative Rate or Adjustment Spread or, as the case may be, no Benchmark Replacement will be adopted, nor will any other amendment to the terms and conditions of the relevant Notes be made to effect any Benchmark Amendments or Benchmark Replacement Conforming Changes (as applicable), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the relevant Series of Subordinated Notes as Tier 2 capital or the relevant Series of Senior Preferred Notes or, as the case may be, the relevant Series of Senior Non-Preferred Notes as MREL Eligible Liabilities.

Notwithstanding the provisions of Condition 4(d) or Condition 4(e), as the case may be, and in the case of Senior Preferred Notes and Senior Non-Preferred Notes only, no Successor Rate or Alternative Rate or, as the case may be, no Benchmark Replacement (as applicable) will be adopted, and no other amendments to the terms of the relevant Series of Senior Preferred Notes or, as the case may be, the relevant Series of Senior Non-Preferred Notes will be made pursuant to Condition 4(d) or Condition 4(e), as the case may be, if, and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Relevant Regulator treating the next Interest Payment Date or Reset Date, as the case may be, as the effective maturity of such Series of Senior Preferred Notes or, as the case may be, such Series of Senior Non-Preferred Notes, rather than the relevant Maturity Date.

Any of the above changes or any other consequential changes to benchmarks as a result of EU, UK, 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 Notes or Reset Notes.

#### *2.6.3.15 Compounded SOFR and the SOFR Index are relatively new in the marketplace*

The interest payable on any Floating Rate Notes for which the Reference Rate is specified as SOFR Index in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, will be based on Compounded SOFR, which is calculated using the SOFR Index published by the Federal Reserve Bank of New York ("FRBNY") according to the specific formula described under Condition 4(c)(ii)(B)(IV), not the SOFR rate published on or in respect of a particular date during any Interest Accrual Period or an arithmetic average of SOFR rates during such period. Since SOFR is a relatively new market rate, the relevant Notes may have

no established trading market when issued, and an established trading market may never develop or may not be very liquid. For this and other reasons, the interest rate on any such Notes during any Interest Accrual Period will not necessarily be the same as the interest rate on other SOFR-linked investments that use an alternative basis to determine the applicable interest rate. Further, if the SOFR rate in respect of a particular date during an Interest Accrual Period is negative, its contribution to the SOFR Index will be less than one, resulting in a reduction to Compounded SOFR used to calculate the interest payable on the relevant Notes on the Interest Payment Date for such Interest Accrual Period. Very limited market precedent exists for securities that use SOFR as the interest rate and the method for calculating an interest rate based upon SOFR in those precedents varies. Investors should be aware that the market continues to develop in relation to risk free rates – such as SOFR - as reference rates in the capital markets. In August 2019 and May 2020, the Federal Reserve Bank of New York's Alternative Reference Rates Committee ("ARRC") released model interest rate conventions for SOFR-linked securities (including for the calculation of Compounded SOFR); however, there currently is no uniform market convention with respect to the calculation of Compounded SOFR or SOFR generally. In addition, the FRBNY only began publishing the SOFR Index on 2 March 2020. Accordingly, the use of the SOFR Index or the specific formula for the Compounded SOFR rate used in any relevant Notes may not be widely adopted by other market participants, if at all. If the market adopts a different calculation method, that would likely adversely affect the market value of any such Notes.

*2.6.3.16 The SOFR Index has a limited history. The future performance of SOFR cannot be predicted based on the historical performance of SOFR*

Publication of SOFR and the SOFR Index, each published by the FRBNY, began on 3 April 2018 and on 2 March 2020, respectively, and therefore each has a limited history. The future performance of SOFR cannot be predicted based on the limited historical performance. The level of SOFR during the term of any Floating Rate Notes for which the Reference Rate is specified as SOFR Index in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, may bear little or no relation to the historical level of SOFR. Prior observed patterns, if any, in the behaviour of market variables and their relation to SOFR, such as correlations, may change in the future. While some pre-publication historical data have been released by the FRBNY, such analysis inherently involves assumptions, estimates and approximations. Changes in the levels of SOFR will affect Compounded SOFR and, therefore, the return on any relevant Notes and the trading price of such Notes, but it is impossible to predict whether such levels will rise or fall. There can be no assurance that Compounded SOFR or SOFR will be positive.

*2.6.3.17 Compounded SOFR with respect to a particular Interest Accrual Period for Floating Rate Notes for which the Reference Rate is specified as SOFR Index in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement will only be capable of being determined near the end of the relevant Interest Accrual Period*

The level of Compounded SOFR applicable to a particular Interest Accrual Period and, therefore, the SOFR Index and amount of interest payable with respect to such Interest Accrual Period will be determined on the Interest Determination Date (as defined in Condition 4(c)(ii)(B)(IV)) for such Interest Accrual Period.

Because each such date is near the end of such Interest Accrual Period, the amount of interest payable with respect to a particular Interest Accrual Period will not be known until shortly prior to the related Interest Payment Date and it may be difficult to reliably estimate the amount of interest that will be payable on each such Interest Payment Date. In addition, some investors may be unwilling or unable to trade the relevant Notes without changes to their information

technology systems, both of which could adversely impact the liquidity and trading price of any such Notes.

*2.6.3.18 The SOFR Index may be modified or discontinued and Floating Rate Notes for which the Reference Rate is specified as SOFR Index in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement may bear interest by reference to a rate other than Compounded SOFR, which could adversely affect the value of any such Notes*

The SOFR Index is published by the FRBNY based on data received by it from sources other than the Issuer, and the Issuer has no control over its methods of calculation, publication schedule, rate revision practices or availability of the SOFR Index at any time. There can be no guarantee, particularly given its relatively recent introduction, that the SOFR Index will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in any relevant Notes.

If the manner in which the SOFR Index is calculated, including the manner in which SOFR is calculated, is changed, that change may result in a reduction in the amount of interest payable on any relevant Notes and the trading prices of such Notes. In addition, the FRBNY may withdraw, modify or amend the published SOFR Index or SOFR data in its sole discretion and without notice. The interest rate for any Interest Accrual Period will not be adjusted for any modifications or amendments to the SOFR Index or SOFR data that the FRBNY may publish after the interest rate for that Interest Accrual Period has been determined. See "Risk Factors – Risks Relating to the Structure of a Particular Issue of Notes – 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 Notes or Reset Notes based on such reference rates – Benchmark Discontinuation – ARRC SOFR" for further information.

*2.6.3.19 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 of the Notes and used in relation to Floating Rate Notes 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 Notes issued by it under the Programme. The nascent development of 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 Notes issued under the Programme from time to time.

Furthermore, interest on Notes which reference 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 Notes which reference a SONIA rate to reliably estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, in contrast to LIBOR-based Notes, if Notes are redeemed early on a date other than an Interest Payment Date, the rate of interest

payable for the final Interest Accrual Period in respect of such Notes shall only be determined immediately prior to the date on which the Notes 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 Notes referencing a SONIA rate.

Further, if SONIA does not prove to be widely used in securities such as the Notes, the trading price of such Notes linked to SONIA may be lower than those of Notes linked to indices that are more widely used. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes 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 Notes.

#### **2.6.4 Notes denominated in Renminbi are subject to additional risks**

Set out below is a description of certain additional risks which may be relevant to an investor in Notes denominated in Renminbi:

##### **2.6.4.1 *The Renminbi is not freely convertible and there are significant restrictions on the remittance of the Renminbi into and outside the PRC which may adversely affect the liquidity of the Notes denominated in Renminbi***

The Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between the Renminbi and foreign currencies, including the Hong Kong dollar, despite the significant reduction over the years by the PRC government of control over trade transactions involving the import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items. However, remittance of Renminbi by foreign investors into the PRC for settlement of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually.

Although, the Renminbi was added to the Special Drawing Rights basket created by the International Monetary Fund in 2016 and policies further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies have been implemented by the People's Bank of China (the "PBOC") in recent years, there is no assurance that the PRC government will continue to liberalise control over cross-border remittance of Renminbi in the future, that any schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, the Issuer will need to source Renminbi offshore to finance such obligations under the relevant Notes denominated in Renminbi, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

*2.6.4.2 There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Notes denominated in Renminbi and the Issuer's ability to source Renminbi outside the PRC to service the Notes denominated in Renminbi*

As a result of the restrictions imposed by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. Currently, licensed banks in Singapore and Hong Kong may offer limited Renminbi-denominated banking services to Singapore residents, Hong Kong residents and specified business customers. The PBOC has also established a Renminbi clearing and settlement mechanism for participating banks in the applicable jurisdictions that have been permitted to engage in the settlement of current account trade transactions in Renminbi through settlement agreements (the "Settlement Agreements") on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (each, a "RMB Clearing Bank") and these RMB Clearing Banks have been permitted to engage in the settlement of Renminbi trade transactions. However, the current size of RMB-denominated financial assets outside the PRC remains limited.

There are restrictions imposed by the PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The relevant RMB Clearing Bank only has access to onshore liquidity support from the PBOC for the purpose of squaring open positions of participating banks for limited types of transactions. The relevant RMB Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that no new PRC regulations will be promulgated or the Settlement Agreements will not be terminated or amended so as to have the effect of restricting the availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Notes denominated in Renminbi. To the extent the Issuer is required to source Renminbi in the offshore market to service the Notes denominated in Renminbi, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

*2.6.4.3 Payments in respect of Notes denominated in Renminbi will only be made to investors in the manner specified in the terms and conditions of the relevant Notes denominated in Renminbi*

Investors may be required to provide certificates and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong. All Renminbi payments to investors in respect of Notes denominated in Renminbi will be made solely (i) for so long as such Notes are represented by a temporary global Note or a permanent global Note held with the common depositary or common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing Euroclear and Clearstream, Luxembourg rules and procedures or those of such alternative clearing system, or (ii) for so long as such Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft, or by transfer to a bank account in the PRC).

*2.6.4.4 There may be PRC tax consequences with respect to investment in the Notes denominated in Renminbi*

In considering whether to invest in the Notes denominated in Renminbi, investors should consult their individual tax advisers with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdictions. The value of the Holder's investment in the Notes denominated in Renminbi may be materially and adversely affected if the Holder is required to pay PRC tax with respect to acquiring, holding or disposing of and receiving payments under those Notes denominated in Renminbi.

*2.6.4.5 Investment in Notes denominated in Renminbi is subject to interest rate risks*

The value of Renminbi payments under the Notes denominated in Renminbi may be susceptible to interest rate fluctuations occurring within and outside the PRC, including PRC Renminbi repo rates and/or the Shanghai inter-bank offered rate. The PRC government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. Notes denominated in Renminbi may carry a fixed interest rate. Consequently, the trading price of such Notes will vary with the fluctuations in the Renminbi interest rates. If holders of Notes denominated in Renminbi propose to sell their Notes before their maturity, they may receive an offer lower than the amount they have invested.

*2.6.4.6 Investment in the Notes denominated in Renminbi is subject to exchange rate risks*

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC, by international political and economic conditions and by many other factors. All payments of interest and principal with respect to Notes denominated in Renminbi will be made in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments in U.S. dollar or other foreign currency terms may vary with the prevailing exchange rates in the marketplace. In recent years, the PBOC has gradually reformed the way it calculates the mid-point price of Renminbi against the U.S. dollar, including widening the trading band that may be implemented, to take into account additional factors to more adequately reflect the PRC's actual economic performance, which may increase volatility in the value of Renminbi against foreign currencies. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of investment in U.S. dollars or other applicable foreign currency terms will decline.

*2.6.4.7 Where Renminbi Currency Events are specified as being applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, if the Renminbi is not available in certain circumstances as described in the Notes denominated in Renminbi, the Issuer can make payments under the Notes denominated in Renminbi in U.S. dollars*

There can be no assurance that access to Renminbi for the purposes of making payments under the Notes denominated in Renminbi by the Issuer or generally will remain or that new PRC regulations will not be promulgated which have the effect of restricting availability of Renminbi outside of the PRC.

Although the Issuer's primary obligation is to make all payments of interest and principal with respect to the Notes denominated in Renminbi in Renminbi, where Renminbi Currency Events are specified as being applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, in the event access to Renminbi deliverable in Hong Kong becomes restricted to the extent that, by reason of Renminbi Inconvertibility, Renminbi Non-Transferability or Renminbi Illiquidity (each as defined in the Terms and Conditions of the Notes), the Issuer is unable to pay interest or principal in Renminbi in Hong Kong, the terms of

the Notes denominated in Renminbi allow the Issuer to make payment in U.S. dollars at the prevailing spot rate of exchange, all as provided for in more detail in the Terms and Conditions of the Notes. The value of these Renminbi payments in U.S. dollar terms may vary with the prevailing exchange rates in the market place. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of the investment in U.S. dollar or other applicable foreign currency terms will decline. See also “Risk Factors—Risks Relating to the Notes—Notes denominated in Renminbi are subject to additional risks—Investment in the Notes denominated in Renminbi is subject to exchange rate risks”.

#### *2.6.4.8 Renminbi clearing systems*

Notes denominated in Renminbi issued under the Programme may only be held in Euroclear or Clearstream, Luxembourg. Holders may only hold such Notes denominated in Renminbi if they have an account with Euroclear or Clearstream, Luxembourg.

### 3 Information Incorporated by Reference

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

- (1) the audited consolidated financial statements of the Issuer as at 31 December 2020 (including the auditors' report therein) contained in the annual report of the Issuer for the year ended 31 December 2020 which can be viewed online at <https://internetbank.swedbank.se/ConditionsEarchive/download?bankid=1111&id=WEBDOC-PRODE78501331>;
- (2) the audited consolidated financial statements of the Issuer as at 31 December 2019 (including the auditors' report therein) contained in the annual report of the Issuer for the year ended 31 December 2019 which can be viewed online at <https://internetbank.swedbank.se/ConditionsEarchive/download?bankid=1111&id=WEBDOC-PRODE53581973>;
- (3) the unaudited financial information in the published unaudited interim report of the Issuer as at 31 March 2021 (including the auditors' review report therein) which can be viewed online at <https://internetbank.swedbank.se/ConditionsEarchive/download?bankid=1111&id=WEBDOC-PRODE82509387>; and
- (4) the following sections from previous base prospectuses and information memoranda relating to the Programme which can be viewed online at <https://www.swedbank.com/sv/investor-relations/skuldinvesterare/upplaningsprogram/global-medium-term-note.html>: (i) the section "Terms and Conditions of the Notes" (pages 54-110 inclusive) set out in the Base Prospectus dated 13 May 2020; (ii) the section "Terms and Conditions of the Notes" (pages 56-115 inclusive) set out in the Base Prospectus dated 14 May 2019; (iii) the section "Terms and Conditions of the Notes" (pages 56-109 inclusive) set out in the Base Prospectus dated 16 May 2018; (iv) the section "Terms and Conditions of the Notes" (pages 51-96 inclusive) set out in the Base Prospectus dated 12 May 2017; (v) the section "Terms and Conditions of the Notes" (pages 46-88 inclusive) set out in the Base Prospectus dated 13 May 2016; (vi) the section "Terms and Conditions of the Notes" (pages 44-86 inclusive) set out in the Base Prospectus dated 13 May 2015 (vii) the section "Terms and Conditions of the Notes" (pages 41-83 inclusive) set out in the Base Prospectus dated 13 May 2014; (viii) the section "Terms and Conditions of the Notes" (pages 36-75 inclusive) set out in the Base Prospectus dated 15 May 2013; and (ix) the section "Terms and Conditions of the Notes" (pages 25-58 inclusive) set out in the Base Prospectus dated 15 May 2012.

Following the publication of this Base Prospectus, a supplement may be prepared by the Issuer and approved by the Central Bank of Ireland in accordance with Article 23 of the Prospectus Regulation. 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.

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 (which for the avoidance of doubt, means any parts not listed in the cross-reference list above or below) are either not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.



The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which may affect the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new prospectus for use in connection with any subsequent issue of Notes. The Issuer has undertaken to the Dealers in the Dealer Agreement that it will comply with Article 23 of the Prospectus Regulation.

The table below sets out the relevant page references for the consolidated financial statements, the notes and the auditors' reports in the Issuer's financial statements for 2020 and 2019 as set out in the respective annual reports:

<b>2020 Financial Statements</b>		<b>Page reference</b>
1	Consolidated Financial Statements	p. 58-62
2	Notes to Consolidated Financial Statements	p. 63-157
3	Auditors' Report <sup>2</sup>	p. 238

<b>2019 Financial Statements</b>		<b>Page reference</b>
1	Consolidated Financial Statements	p. 54-58
2	Notes to Consolidated Financial Statements	p. 59-152
3	Auditors' Report <sup>3</sup>	p.218

The table below sets out the relevant page references for information relating to the unaudited financial information of the Issuer, alternative performance measures (as such term is defined in the ESMA Guidelines on Alternative Performance Measures) and the auditors' review report in the interim report for the period 1 January 2021 to 31 March 2021:

		<b>Page reference</b>
1	Condensed Consolidated Financial Statements	p.21-25
2	Notes to Condensed Consolidated Financial Statements	p. 26-52
3	Alternative Performance Measures	p. 58
4	Auditors' Review Report	p. 60

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<sup>2</sup> For the avoidance of doubt, this Auditors' Report relates to the period from, and including, 1 January 2020 to, and including, 31 December 2020.

<sup>3</sup> For the avoidance of doubt, this Auditors' Report relates to the period from, and including, 1 January 2019 to, and including, 31 December 2019.

## 4 Terms and Conditions of the Notes

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

The Notes are constituted by a Trust Deed dated 3 March 1998 (as supplemented and/or amended from time to time, the "Trust Deed") and made between Swedbank AB (publ) (the "Issuer", which term, for the avoidance of doubt, shall include its legal successors following universal succession (Sw: *universalsuccession*), by operation of law applicable in Sweden, upon consolidation, amalgamation, merger or any other similar occurrence) and BNY Mellon Corporate Trustee Services Limited (the "Trustee", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Holders (as described below). These Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes and any Coupons relating to them. Copies of the Trust Deed and of an amended and restated Agency Agreement (as supplemented or amended from time to time, the "Agency Agreement") dated 10 May 2021 and made between the Issuer, the Trustee, Citibank, N.A., London Branch in its capacities as principal paying agent (the "Principal Paying 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 in its capacity 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 Principal Paying Agent and any substitute or additional paying agents appointed in accordance with the Agency Agreement, the "Paying Agents") and as transfer agent (a "Transfer Agent" and, together with the Principal Paying Agent and any substitute or additional transfer agents appointed in accordance with the Agency Agreement, the "Transfer Agents"), are available for inspection at the specified office of the Trustee (presently at The Bank of New York Mellon, One Canada Square, London E14 5AL) and each of the Paying Agents and the Registrar. In respect of Swiss Domestic Notes (as defined below), the principal Swiss paying agent (the "Principal Swiss Paying Agent") and the other Swiss paying agents (the "Swiss Paying Agents", which expression shall include the Principal Swiss Paying Agent) will be specified in the applicable Pricing Supplement (as defined below), which entities shall act as Principal Paying Agent and Paying Agents, respectively, in respect of the Swiss Domestic Notes and the expressions "Principal Paying Agent" and "Paying Agents" as used herein shall be construed accordingly. In respect of each issue of Swiss Domestic Notes, the Issuer shall enter into a Supplemental Agency Agreement (substantially in the form of Schedule 7 to the Agency Agreement) with, *inter alia*, the Principal Swiss Paying Agent and any other Swiss Paying Agents. All persons from time to time entitled to the benefit of obligations under any Notes shall be deemed to have notice of and to be bound by all of the provisions of the Trust Deed insofar as they relate to the Notes. References herein to "Agents" shall, where the context so requires, be to the Paying Agents, the Registrar, the Transfer Agents, the Exchange Agent and, in the case of Swiss Domestic Notes, the Swiss Paying 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 or, in the case of Exempt Notes, the applicable Pricing Supplement.

References herein to "Exempt Notes" are to (i) Swiss Domestic Notes and (ii) Notes for which no prospectus is required to be published under the Prospectus Regulation and/or the FSMA. For the purposes of these Terms and Conditions of the Notes, "Prospectus Regulation" means Regulation (EU) 2017/1129 and "FSMA" means the Financial Services and Markets Act 2000 (as amended)..

The final terms of the Notes (or the relevant provisions thereof) are set out in (i) in the case of Notes other than Exempt Notes, Part A of a final terms document (the "Final Terms") relating to the Notes which completes these Terms and Conditions (the "Conditions") or (ii) in the case of Exempt Notes, a

pricing supplement (the "Pricing Supplement") which 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 Notes. References to the "applicable Final Terms" are accordingly to Part A of the Final Terms (or the relevant provisions thereof) relating to the Notes 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 Notes.

Copies of the Final Terms will, in the case of Notes 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 <https://www.euronext.com/en/markets/dublin>. If the Notes are to be admitted to trading on any other regulated market in the EEA, the applicable Final Terms will be published in accordance with the rules and regulations of the relevant listing authority or stock exchange and otherwise in accordance with Article 21 of the Prospectus Regulation. Copies of the Final Terms will also be available, upon request, free of charge, at the registered office of the Issuer and the specified office of the Principal Paying Agent and, in relation to a Tranche of Registered Notes, the Registrar save that, if the Final Terms or, in the case of Exempt Notes, the Pricing Supplement relates to Notes which are neither admitted to trading on a regulated market in the EEA nor offered in the EEA or the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation and/or the FSMA (including Exempt Notes), copies will only be obtainable by a Holder of such Notes upon production of evidence satisfactory to the Issuer and the Principal Paying Agent or, as the case may be, the Registrar as to its holding of such Notes and identity.

As used herein, "Tranche" means Notes which are identical in all respects (including as to listing and admission to trading and save that a Tranche may comprise Notes in more than one denomination) and "Series" means a Tranche of Notes together with any further Tranche or Tranches of Notes 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 Trust Deed, the Agency Agreement or used in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, will prevail.

For the purposes of these Conditions, references to "Notes" are to Notes of the same Series and shall, as the context may require, be deemed to include any Temporary Global Note, Permanent Global Note, Swiss Global Note, Definitive Bearer Notes, Restricted Registered Global Note, Unrestricted Registered Global Note or, as the case may be, Definitive Registered Notes (each as defined below). References to "Notes" shall, so far as the context permits, be deemed to include any Coupons (as defined below). References to "Holders" shall include holders of Coupons, as the context may require.

References herein to "RMB Notes" are to Notes denominated in Renminbi. References herein to "Renminbi", "RMB" and "CNY" are to the lawful currency of the People's Republic of China (the "PRC") that is deliverable offshore. For the purposes of these Terms and Conditions, references to the "PRC" exclude the Hong Kong Special Administrative Region of the PRC ("Hong Kong"), the Macau Special Administrative Region of the PRC ("Macau") and Taiwan.

## 1. Form and Denomination

### (a) Form

The Notes are issued in bearer form ("Bearer Notes") or in registered form ("Registered Notes") and, in the case of definitive Notes, 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 Notes, the applicable Pricing Supplement. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

The Notes may be Fixed Rate Notes, Reset Notes, Floating Rate Notes, Zero Coupon Notes or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

The Notes may be Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes, depending upon the Status of the Notes shown in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

### (b) Notes in Global Form and Exchanges Thereof

(i) Bearer Notes (other than Swiss Domestic Notes) will be represented upon issue by a temporary global Note (a "Temporary Global Note") in substantially the form (subject to amendment and completion) set out in the Trust Deed. On or after the date (the "Exchange Date") which is 40 days after the completion of the distribution of the Notes of the relevant Tranche and provided certification as to the beneficial ownership thereof as required by U.S. Treasury regulations has been received, interests in the Temporary Global Note may be exchanged for either (as so specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement):

(A) interests in a permanent global Note in bearer form (a "Permanent Global Note") representing the Notes of that Series and in substantially the form (subject to amendment and completion) set out in the Trust Deed; or

(B) Bearer Notes in definitive form ("Definitive Bearer Notes"), serially numbered and in substantially the form (subject to amendment and completion) set out in the Trust Deed.

(ii) In the case of Bearer Notes (other than Swiss Domestic Notes), interests in a Permanent Global Note will be exchangeable, in whole but not in part, (free of charge to the Holder) for Definitive Bearer Notes as indicated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, either (A) upon not less than 60 days' written notice (expiring at least 30 days after the Exchange Date) from the bearer to the Principal Paying Agent as described therein or (B) only upon the occurrence of an Exchange Event as described therein, upon notice from the bearer to the Principal Paying Agent or, upon the occurrence of an Exchange Event described in (iii) below, from the Issuer to the Principal Paying Agent.

"Exchange Event" means (i) either of Euroclear (as defined below) or Clearstream, Luxembourg (as defined below) or any other clearing system by which the Notes have been accepted for clearing 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, (ii) an Event of Default in relation to the Notes as set out in Condition 6 occurs and is continuing, or (iii) at the option of the Issuer, if the Issuer 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 Notes which would not be required if such Notes were in definitive form. The Issuer

will promptly give notice to Holders in accordance with Condition 15 if an Exchange Event occurs. Any such exchange following the occurrence of an Exchange Event shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

- (iii) Bearer Notes which are denominated in Swiss Francs ("Swiss Domestic Notes") will be represented by a permanent global Note (the "Swiss Global Note") which will be deposited with SIX SIS Ltd, the Swiss Securities Services Corporation located in Olten, Switzerland ("SIS") or, as the case may be, with any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIS or any such other intermediary, the "Intermediary"), until final redemption or the printing of Definitive Bearer Notes.

Once the Swiss Global Note is deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Domestic Notes will constitute intermediated securities (*Bucheffekten*) ("Intermediated Securities") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Each Holder (as such term shall be construed in accordance with the following paragraph) of Swiss Domestic Notes shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Swiss Global Note to the extent of his claim against the Issuer, provided that for so long as the Swiss Global Note remains deposited with the Intermediary the co-ownership interest shall be suspended and the Swiss Domestic Notes may only be transferred or otherwise disposed of by the entry of the transferred Swiss Domestic Notes in a securities account of the transferee.

The records of the Intermediary will determine the number of Swiss Domestic Notes held through each participant in that Intermediary. In respect of the Swiss Domestic Notes held in the form of Intermediated Securities, the holders of the Swiss Domestic Notes will be the persons holding the Swiss Domestic Notes in a securities account in their own name and for their own account or in case of intermediaries (*Verwahrungsstellen*), the intermediaries (*Verwahrungsstellen*) holding the Swiss Domestic Notes for their own account in a securities account (*Effektenkonto*) which is in their name. The term "Holders" as used herein shall, in relation to any such Swiss Domestic Notes held in the form of Intermediated Securities, be construed accordingly.

Holders of Swiss Domestic Notes do not have the right to request the printing and delivery of Definitive Bearer Notes. Interests in the Swiss Global Note will be exchangeable, in whole but not in part, for Definitive Bearer Notes if the Principal Swiss Paying Agent (i) determines that the printing and delivery of Definitive Bearer Notes is required by Swiss or other applicable laws and regulations in connection with the enforcement of rights or (ii) deems the printing and delivery of Definitive Bearer Notes to be useful or desirable for any other reason. Should the Principal Swiss Paying Agent so determine, it shall provide for the printing of Definitive Bearer Notes without cost to the Holders. Upon delivery of the Definitive Bearer Notes, the Swiss Global Note will be cancelled and the Definitive Bearer Notes shall be delivered to the Holders against cancellation of the Swiss Domestic Notes in the Holders' securities accounts.

- (iv) The following legend will appear on all permanent and definitive Bearer Notes which have an original maturity of more than 1 year and on all Coupons and Talons relating to such Notes:

"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 Notes 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 Notes or Coupons.

- (v) Registered Notes will be represented upon issue by Notes in the following form:
- (A) Notes initially sold to non-U.S. persons in reliance on Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act") will be represented by beneficial interests in an unrestricted Registered Global Note (an "Unrestricted Registered Global Note") which will be deposited with a common depository or a common safekeeper, as the case may be, for, and in respect of, interests held through Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg") and registered in the name of a nominee of Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper; and
  - (B) Notes initially sold within the United States in reliance on Rule 144A under the Securities Act will be represented by beneficial interests in a restricted Registered Global Note (a "Restricted Registered Global Note") which will be deposited with the Registrar as custodian for The Depository Trust Company ("DTC") and registered in the name of a nominee of DTC.

An interest in either the Unrestricted Registered Global Note or the Restricted Registered Global Note (each a "Registered Global Note") may be exchanged for a definitive Registered Note (a "Definitive Registered Note") in the limited circumstances set out in such Registered Global Note. A Definitive Registered Note may be exchanged for another Definitive Registered Note under certain circumstances described in the 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 Note will only be exchangeable for interests in a Restricted Registered Global Note in accordance with the certification requirements described in the Agency Agreement (see "Form of Notes; Summary of Provisions Relating to the Notes while in Global Form").

- (c) *Surrender of Global Notes (other than Swiss Global Notes) in Exchange for Definitive Notes*

In order to exchange interests in a global Note (other than a Swiss Global Note) for definitive Notes, a Holder must surrender or, as the case may be, present the relevant Temporary Global Note or Permanent Global Note at the specified office of the Principal Paying Agent or, as the case may be, present the relevant Registered Global Note 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 Note or Permanent Global Note or, as the case may be, Registered Global Note, to be exchanged.

- (d) *Coupons*

Interest-bearing Definitive Bearer Notes will have attached thereto at the time of their initial delivery coupons ("Coupons") and, if applicable, 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 Notes in global form do not have Coupons or Talons attached on issue.

(e) *Exchange of Registered Notes*

Registered Notes will not be exchangeable for Bearer Notes and vice versa.

(f) *The Depository Trust Company*

Registered Notes will, if so specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, be the subject of an application by the Issuer to DTC for the acceptance of such Registered Notes into DTC's book-entry settlement system. If such application is accepted, one or more Registered Global Notes (each, a "DTC Note") in denominations equivalent in aggregate to the aggregate principal amount of relevant Registered Notes 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 Note. Accordingly, each person having a beneficial interest in a DTC Note must rely on the procedures of the institutions having accounts with DTC to exercise any rights of such person. So long as Registered Notes are traded through DTC's book-entry settlement system, ownership of a beneficial interest in the relevant DTC Note will (unless otherwise required by applicable law) be shown on, and transfers of such beneficial interest may be effected only through, records maintained by (i) DTC or its registered nominee (as to DTC participant-interests) or (ii) institutions having accounts with DTC (including, without limitation, Euroclear and Clearstream, Luxembourg).

**2. Title**

(a) *Title to Bearer Notes*

Title to Bearer Notes and Coupons passes by delivery and references herein to "Holders" of Bearer Notes and Coupons are to the bearers of such Bearer Notes and Coupons, subject as provided above in relation to Swiss Domestic Notes.

(b) *Title to Registered Notes*

Title to Registered Notes passes by registration in the register which is kept by the Registrar. References herein to "Holders" of Registered Notes are to the persons in whose names such Notes are so registered or, in the case of joint holders, the first named thereof.

(c) *Ownership*

The Holder of any Note 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.

(d) *Transfer of Registered Notes in definitive form*

Definitive Registered Notes may, upon the terms and subject to the conditions set forth in the 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 Notes, the applicable Pricing Supplement) upon the surrender of the Registered Note to be transferred for registration of the transfer of the Registered Note (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 Note will be issued to the transferee and, in the case of a

transfer of part only of a Registered Note, a new Registered Note in respect of the balance not transferred will be issued to the transferor.

(e) *Delivery of New Registered Notes in definitive form*

Each new Registered Note to be issued upon the transfer of Registered Notes in definitive form shall be available for delivery within five business days at the specified office of the Registrar or the relevant Transfer Agent after receipt of the form of transfer. Delivery of the new Registered Note shall be made at the specified office of the Registrar or of the Transfer Agent, as the case may be, to whom delivery of such form of transfer shall have been made or, at the option of the Holder making such delivery as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new Registered Note to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the relevant Agent the costs of such other method of delivery and/or such insurance as it may specify. For these purposes, a form of transfer received by the Registrar during the period of 15 days ending on the due date for any payment on the relevant Registered Notes shall be deemed not to be effectively received by the Registrar until the day following the due date for such payment. For the purposes of this Condition 2(e), "business day" means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located.

(f) *Charges on Transfer*

The issue of new Registered Notes on transfer will be effected without charge by or on behalf of the Issuer 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.

(g) *Private Placement Legend*

Upon the transfer, exchange or replacement of Restricted Registered Notes of any Series bearing a private placement legend set forth in the form of Restricted Registered Note scheduled to the Trust Deed and in "Notice to Purchasers of Restricted Notes and Transfer Restrictions", the Registrar shall deliver only Registered Notes of such Series that shall bear such legend unless there is delivered to the Issuer and the Registrar an opinion, reasonably satisfactory to the Issuer, 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.

(h) *Rule 144A(d)(4)*

For so long as any of the Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer has agreed and has covenanted in the Trust Deed that it will, during any period in which it is not subject to the reporting requirements of Section 13 or 15(d) under the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting under the Exchange Act pursuant to Rule 12g3-2(b) thereunder, furnish, upon request, to any Holder, to any owner of a beneficial interest in such restricted securities, and to any prospective purchaser of such restricted securities or beneficial interest therein designated by any such Holder or beneficial owner, in connection with resale of a beneficial interest in such restricted securities by such Holder or beneficial owner, as the case may be, the information specified in Rule 144A(d)(4) under the Securities Act.



(i) *Transfers of Registered Notes in global form*

Transfers of beneficial interests in Registered Global Notes 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 Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Final Terms or, in the case of Exempt Notes, 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 Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

**3. Status**

(a) *Status - Senior Preferred Notes*

(i) This Condition 3(a) is applicable in relation to Notes specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being Senior Preferred Notes.

(ii) The Senior Preferred Notes constitute unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves. The rights of the Holder of any Senior Preferred Note in respect of or arising from the Senior Preferred Notes (including any damages awarded for breach of any obligations under these Conditions, if any are payable) shall, in the event of the voluntary or involuntary liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer rank:

(A) (subject to such mandatory exceptions as are from time to time applicable under Swedish law) at least *pari passu* with all other unsecured indebtedness of the Issuer from time to time outstanding; and

(B) senior to any Senior Non-Preferred Liabilities.

(b) *Status - Senior Non-Preferred Notes*

(i) This Condition 3(b) is applicable in relation to Notes specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being Senior Non-Preferred Notes.

(ii) The Senior Non-Preferred Notes constitute unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves. The rights of the Holder of any Senior Non-Preferred Note in respect of or arising from the Senior Non-Preferred Notes (including any damages awarded for breach of any obligations under these Conditions, if any are payable) shall, in the event of the voluntary or involuntary liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer, have Senior Non-Preferred Ranking, meaning that they rank:

(A) *pari passu* with all other Senior Non-Preferred Liabilities of the Issuer;

- (B) senior to holders of all classes of ordinary shares of the Issuer and any subordinated obligations or other securities of the Issuer (including the Subordinated Notes) which by law rank, or by their terms are expressed to rank, junior to the Senior Non-Preferred Liabilities of the Issuer; and
- (C) junior to present or future claims of (a) depositors of the Issuer and (b) other unsubordinated creditors of the Issuer that are not creditors in respect of Senior Non-Preferred Liabilities of the Issuer.

In these Conditions:

"Applicable MREL Regulations" means, at any time, the laws, regulations, requirements, guidelines and policies then in effect in Sweden giving effect to any MREL Requirement or any successor regulations then applicable to the Issuer or the Group, as the case may be, including, without limitation to the generality of the foregoing, CRD and the BRRD (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer or the Group, as the case may be);

"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 (including by BRRD II);

"BRRD II" means Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC, as the same may be amended or replaced from time to time;

"CRD" means the legislative package consisting of the CRD Directive and CRR and any CRD Implementing Measures;

"CRD Directive" means Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms of the European Parliament and of the Council of 26 June 2013, as the same may be amended or replaced from time to time (including by the CRD V Directive);

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

"CRD V Directive" means Directive 2019/878 as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU, as the same may be amended or replaced from time to time;

"CRR" means Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms of the European Parliament and of the Council of 26 June 2013, as the same may be amended or replaced from time to time (including by the CRR II);

"CRR II" means Regulation (EU) 2019/876 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013, and Regulation (EU) No 648/2012, as amended or replaced from time to time;

"Group" means the Issuer and its subsidiaries on a consolidated basis;

"Senior Non-Preferred Liabilities" means liabilities having Senior Non-Preferred Ranking; and

"Senior Non-Preferred Ranking" means the ranking which is described in the second sentence of the first paragraph of section 18 of the Swedish Rights of Priority Act (Sw. 18 § 1 *st andra meningen förmånsrättslagen (1970:979)*), as the same may be amended or replaced from time to time.

(c) *Status - Subordinated Notes*

(i) This Condition 3(c) is applicable in relation to Notes specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, as being Subordinated Notes.

(ii) Notes specified as being Subordinated Notes constitute subordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves. The rights of the Holder of any Subordinated Note in respect of or arising from the Subordinated Notes (including any damages awarded for breach of any obligations under these Conditions, if any are payable) shall, in the event of the voluntary or involuntary liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer, (i) be subordinated in right of payment to the claims of Senior Creditors of the Issuer; (ii) rank at least *pari passu* with the claims of all other subordinated creditors of the Issuer which in each case by law rank, or by their terms are expressed to rank, *pari passu* with the Subordinated Notes; and (iii) rank senior to all classes of ordinary shares of the Issuer and any junior subordinated obligations or other securities of the Issuer which by law rank, or by their terms are expressed to rank, junior to the Subordinated Notes. The Issuer reserves the right to issue further subordinated notes and other subordinated obligations in the future, which may rank senior to, *pari passu* with, or junior to the Subordinated Notes.

For the purposes of this Condition 3(c), "Senior Creditors" means creditors of the Issuer (i) who are depositors and/or other unsubordinated creditors of the Issuer (including Holders of the Senior Preferred Notes and the Senior Non-Preferred Notes); or (ii) who are subordinated creditors of the Issuer (whether in the event of a voluntary or involuntary liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer or otherwise) other than those whose claims by law rank, or by their terms are expressed to rank, *pari passu* with or junior to the claims of the Holders of Subordinated Notes.

(d) *Waiver of set-off*

No Holder of Notes who in the event of the liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer shall be indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Notes (including any damages awarded for breach of any obligations under these Conditions, if any are payable) held by such Holder.

#### 4. Interest

(a) *Interest on Fixed Rate Notes*

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

In the case of RMB Notes, if:

- (i) Interest Payment Date Adjustment is specified as being applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement; and
- (ii) (x) 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 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.

For these purposes, "Business Day" has the meaning given to it in Condition 4(c)(i).

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

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

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

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

- (i) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement:
  - (A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, in the case of RMB Notes if Interest Payment Date Adjustment is specified as being applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the relevant payment date or the next Interest Payment Date, as the case may be) (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 Notes, the applicable Pricing Supplement) that would occur in one calendar year; or
  - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (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;
- (ii) if "30/360" is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; and
- (iii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the actual number of days in the relevant period divided by 365.

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.

(b) *Interest on Reset Notes*

(i) **Rates of Interest and Interest Payment Dates**

Each Reset Note bears interest:

- (A) from (and including) the Interest Commencement Date until (but excluding) the First Reset Date at the rate(s) per annum equal to the Initial Rate(s) of Interest;
- (B) from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and
- (C) for each Subsequent Reset Period thereafter (if any), at the rate per annum equal to the relevant Subsequent Reset Rate of Interest,

payable, in each case, in arrear on the date(s) so specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement on which interest is payable in each year (each an "Interest Payment Date") and on the Maturity Date if that does not fall on an Interest Payment Date.

The Calculation 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 period, and will calculate the amount of interest (the "Interest Amount") payable on the Reset Notes for the relevant period by applying the Rate of Interest to:

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

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

In this Condition 4(b):

"Business Day" has the meaning given in Condition 4(c)(i) or, if CMT Rate is specified as the Reset Reference Rate in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, such term means a U.S. Government Securities Business Day (as defined in Condition 4(c)(ii)(B)(IV));

"Day Count Fraction" and related definitions have the meanings given in Condition 4(a);

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

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

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

"First Reset Period Fallback Yield" means the yield specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

"First Reset Rate of Interest" means, in respect of the First Reset Period and, if applicable, subject to Condition 4(b)(ii), Condition 4(d) and Condition 4(e), the rate of interest determined by the Calculation Agent on (or, if applicable, in respect of) the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate and the First Margin, with such sum being converted (if Reset Reference Rate Conversion is specified as applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) from the Original Reference Rate Payment Basis to a basis which matches the per annum frequency of Interest Payment Dates in respect of the Notes (such calculation to be determined by the Issuer in conjunction with a leading financial institution selected by it);

"H.15" means the daily statistical release designated as H.15, or any successor publication, published by the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/H15> or any successor site or publication;

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

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

"Mid-Market Swap Rate" means, subject as provided in Condition 4(d) (if applicable), for any Reset Period the arithmetic mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the Original Reset Reference Rate Payment Basis (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Floating Leg Maturity (as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Calculation Agent);

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

"Mid-Swap Floating Leg Benchmark Rate" means, subject as provided in Condition 4(d) (if applicable), EURIBOR if the Specified Currency is Euro or LIBOR for the Specified Currency if the Specified Currency is not Euro or (if there is no LIBOR for such other Specified Currency)

the benchmark rate most closely connected with such Specified Currency and selected by the Issuer on the advice of an investment bank of international repute;

"MREL Eligible Liabilities" means "eligible liabilities" (or any equivalent or successor term) which are available to meet any MREL Requirement (however called or defined by then Applicable MREL Regulations) of the Issuer or the Group, as the case may be, under Applicable MREL Regulations;

"MREL Requirement" means the minimum requirement for own funds and eligible liabilities which is or, as the case may be, will be applicable to the Issuer or the Group, as the case may be;

"Original Reset Reference Rate Payment Basis" has the meaning specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement. In the case of Notes other than Exempt Notes, the Original Reset Reference Rate Payment Basis shall be annual, semi-annual, quarterly or monthly;

"Rate of Interest" means the Initial Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as applicable;

"Reference Bond" means, in relation to any Reset Period, a government security or securities issued by the state responsible for issuing the Specified Currency (which, if the Specified Currency is Euro, shall be Germany), as selected by the Issuer on the advice of an investment bank of international repute, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to such Reset Period;

"Reference Bond Quotation" means, in relation to a Reset Reference Bank and a Reset Determination Date:

- (i) if Reference Bond is specified as the Reset Reference Rate in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the arithmetic mean, of the bid and offered yields for the relevant Reference Bond provided to the Calculation Agent by such Reset Reference Bank at approximately the Relevant (Reset) Time on such Reset Determination Date; or
- (ii) if CMT Rate is specified as the Reset Reference Rate in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the rate, of the Original Reset Reference Rate Payment Basis yield-to-maturity based on the secondary market bid price of the relevant Reset U.S. Treasury Security as determined by the Reset Reference Bank at approximately the Relevant (Reset) Time on the Business Day following such Reset Determination Date;

"Relevant (Reset) Time" shall mean approximately 11.00 a.m. in the principal financial centre of the Specified Currency, or such other time as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

"Relevant Screen Page" has the meaning specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement or such other page, section or other part as may replace it on the relevant information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or yields (as the case may be) comparable to the Reset Reference Rate;



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

"Reset Determination Date" means, in respect of the First Reset Period, the second Business Day prior to the First Reset Date; in respect of the first Subsequent Reset Period, the second Business Day prior to the Second Reset Date; and, in respect of each Subsequent Reset Period thereafter, the second Business Day prior to the first day of each such Subsequent Reset Period;

"Reset Period" means the First Reset Period or a Subsequent Reset Period, as the case may be;

"Reset Period Maturity Initial Mid-Swap Rate" has the meaning specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

"Reset Reference Bank Rate" means, in relation to a Reset Period and the Reset Determination Date in relation to such Reset Period, the rate (expressed as a percentage rate per annum and rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards) determined on the basis of the Reference Bond Quotations provided by the Reset Reference Banks to the Calculation Agent at approximately:

- (i) if Reference Bond is specified as the Reset Reference Rate in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the Relevant (Reset) Time on such Reset Determination Date; or
- (ii) if CMT Rate is specified as the Reset Reference Rate in the applicable Final Terms, or, in the case of Exempt Notes, the applicable Pricing Supplement, the Relevant (Reset) Time on the Business Day following such Reset Determination Date.

If at least three such Reference Bond Quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean (rounded as aforesaid) of the Reference Bond Quotations provided, eliminating the highest quotation (or in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two Reference Bond Quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean (rounded as aforesaid) of the Reference Bond Quotations provided. If fewer than two Reference Bond Quotations are provided, the Reset Reference Bank Rate for the relevant Reset Period will be:

- (i) in the case of each Reset Period other than the First Reset Period:
  - (a) if Subsequent Reset Rate Previous Rate Final Fallback is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being applicable, the Reset Reference Rate in respect of the immediately preceding Reset Period; or
  - (b) if Subsequent Reset Rate Last Observable Rate Final Fallback is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being applicable, (i) if Reference Bond is specified as the Reset Reference Rate in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the last observable bid and offered yields of the relevant Reference Bond, as determined by the Calculation Agent by reference to the Relevant Screen Page; or (ii) if CMT Rate is specified as the Reset Reference Rate in the applicable Final Terms or, in the case of

Exempt Notes, the applicable Pricing Supplement, the last observable Original Reset Reference Rate Payment Basis yield for U.S. Treasury Securities at "constant maturity" for a period of maturity which is equal or comparable to the duration of the relevant Reset Period, as published in H.15 under the caption "Treasury constant maturities (nominal)", as that yield is displayed on the Relevant Screen Page; or

- (ii) in the case of the First Reset Period:
  - (a) if Initial Rate Final Fallback is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being applicable, the First Reset Period Fallback Yield; or
  - (b) if Last Observable Rate Final Fallback is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being applicable, (i) if Reference Bond is specified as the Reset Reference Rate in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the last observable bid and offered yields of the relevant Reference Bond, as determined by the Calculation Agent by reference to the Relevant Screen Page; or (ii) if CMT Rate is specified as the Reset Reference Rate in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the last observable Original Reset Reference Rate Payment Basis yield for U.S. Treasury Securities at "constant maturity" for a period of maturity which is equal or comparable to the duration of the relevant Reset Period, as published in H.15 under the caption "Treasury constant maturities (nominal)", as that yield is displayed on the Relevant Screen Page;

provided that:

- (A) if the application of sub-paragraph (i)(b) or (ii)(b), as applicable, in the determination of the Issuer (such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors or other Authorised Signatories of the Issuer, upon which the Trustee may rely without liability or enquiry to any person), could reasonably be expected to prejudice the qualification (to the extent applicable to the relevant Notes at the relevant time) of the relevant Series of Notes (in the case of Subordinated Notes) as Tier 2 capital or (in the case of Senior Preferred Notes or Senior Non-Preferred Notes) as MREL Eligible Liabilities, as the case may be, then sub-paragraph (i)(a) or (ii)(a), as applicable, above will apply, and
- (B) (in the case of an issue of Senior Preferred Notes or Senior Non-Preferred Notes only and to the extent applicable to the relevant Notes at the relevant time) if the application of sub-paragraph (i)(b) or (ii)(b), as applicable, could, in the determination of the Issuer (such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors or other Authorised Signatories of the Issuer, upon which the Trustee may rely without liability or enquiry to any person), reasonably be expected to result in the Relevant Regulator treating the next Interest Payment Date or Reset Date, as the case may be, as the effective maturity of the Notes, rather than the relevant Maturity Date, then sub-paragraph (i)(a) or (ii)(a), as applicable, above will apply;

"Reset Reference Banks" means the principal office in the principal financial centre of the Specified Currency of five major banks:

- (i) if Mid-Swap Rate is specified as the Reset Reference Rate in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, in the swap, money, securities or other market most closely connected with the relevant Reset Reference Rate;
- (ii) if Reference Bond is specified as the Reset Reference Rate in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, which are primary government securities dealers or market makers in pricing corporate bond issues in the Specified Currency; or
- (iii) if CMT Rate is specified as the Reset Reference Rate in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, which are primary U.S. Treasury Securities dealers or market makers in pricing corporate bond issues determined in U.S. dollars, as published on the Federal Reserve Bank of New York's Website (as defined in Condition 4(c)(ii)(B)(IV) below),

in each case, as selected by the Issuer on the advice of an investment bank of international repute;

"Reset Reference Rate" means, in relation to a Reset Determination Date and, if applicable, subject to Condition 4(b)(ii), Condition 4(d) and Condition 4(e):

- (i) if Mid-Swap Rate and Single Mid-Swap Rate are specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement the rate for swaps in the Specified Currency:
  - (A) with a term equal to the relevant Reset Period; and
  - (B) commencing on the relevant Reset Date,
 which appears on the Relevant Screen Page; or
- (ii) if Mid-Swap Rate and Mean Mid-Swap Rate are specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent (0.0005 per cent being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:
  - (A) with a term equal to the relevant Reset Period; and
  - (B) commencing on the relevant Reset Date,
 which appear on the Relevant Screen Page,

in either case, as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent; or

- (iii) if Reference Bond is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement:
  - (A) the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered yields of the relevant Reference Bond, as

determined by the Calculation Agent by reference to the Relevant Screen Page at the Relevant (Reset) Time on such Reset Determination Date; or

- (B) if such rate does not appear on the Relevant Screen Page at such Relevant (Reset) Time on such Reset Determination Date, the Reset Reference Bank Rate on such Reset Determination Date; or
- (iv) if CMT Rate is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement:
  - (A) the Original Reset Reference Rate Payment Basis yield for U.S. Treasury Securities at "constant maturity" for a period of maturity which is equal or comparable to the duration of the relevant Reset Period, as published in H.15 under the caption "Treasury constant maturities (nominal)", as that yield is displayed on such Reset Determination Date, on the Relevant Screen Page; or
  - (B) if the yield referred to in paragraph (A) above is not published on the Relevant Screen Page on such Reset Determination Date, the Original Reset Reference Rate Payment Basis yield for U.S. Treasury Securities at "constant maturity" having a period to maturity which is equal or comparable to the duration of the relevant Reset Period as published in H.15 under the caption "Treasury constant maturities (nominal)" on such Reset Determination Date; or
  - (C) if neither the yield referred to in paragraph (A) above nor the yield referred to in paragraph (B) above is published on such Reset Determination Date, the Reset Reference Bank Rate on such Reset Determination Date,

in each case, all as determined by the Calculation Agent;

"Reset U.S. Treasury Security" means, on the relevant Reset Determination Date, the U.S. Treasury Security selected by the Issuer:

- (i) with an original term to maturity upon issue of approximately the duration of the relevant Reset Period and a remaining term to maturity of not less than one year less than the duration of the relevant Reset Period; and
- (ii) which is in a principal amount equal to at least U.S.\$1,000,000,000;

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

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

"Subsequent Reset Date" means the date or dates specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;

"Subsequent Reset Period" means the period from (and including) the Second Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date;

"Subsequent Reset Rate of Interest" means, in respect of any Subsequent Reset Period and, if applicable, subject to Condition 4(b)(ii), Condition 4(d) subject to Condition 4(e), the rate of interest determined by the Calculation Agent on (or, if applicable, in respect of) the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate and the relevant Subsequent Margin, with such sum being converted (if Reset Reference Rate Conversion is specified as applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) from the Original Reset Reference Rate Payment Basis to a basis which matches the per annum frequency of Interest Payment Dates in respect of the Notes (such calculation to be determined by the Issuer in conjunction with a leading financial institution selected by it); and

"U.S. Treasury Securities" means securities that are direct obligations of the United States Treasury, issued other than on a discount basis.

(ii) **Fallbacks**

This Condition 4(b)(ii) is only applicable if Mid-Swap Rate is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as the applicable Reset Reference Rate.

If on any Reset Determination Date the Relevant Screen Page is not available or the Reset Reference Rate does not appear on the Relevant Screen Page, the Calculation Agent shall request each of the Reset Reference Banks to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date in question.

If two or more of the Reset Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent (0.0005 per cent being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date only one of the Reset Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this Condition 4(b), the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the sum of (A) the relevant Mid-Market Swap Rate Quotation provided and (B) the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date none of the Reset Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this Condition 4(b) the First Reset Rate of Interest or the Subsequent Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of:

- (i) in the case of the first Reset Determination Date only:
  - (a) if Initial Rate Final Fallback is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being applicable, (A) the Initial Mid-Swap Rate and (B) the First Margin;
  - (b) if Reset Period Maturity Rate Final Fallback is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as

being applicable, (A) the Reset Period Maturity Initial Mid-Swap Rate and (B) the First Margin; or

- (c) if Last Observable Rate Final Fallback is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being applicable, (A) the last observable rate for swaps in the Specified Currency with a term equal to the relevant Reset Period which appears on the Relevant Screen Page and (B) the First Margin,

provided that:

- (A) if the application of (i)(b) or (i)(c) could, in the determination of the Issuer (such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors or other Authorised Signatories of the Issuer, upon which the Trustee may rely without liability or enquiry to any person), reasonably be expected to prejudice the qualification (to the extent applicable to the relevant Notes at the relevant time) of the relevant Series of Notes (in the case of Subordinated Notes) as Tier 2 capital or (in the case of Senior Preferred Notes and Senior Non-Preferred Notes) as MREL Eligible Liabilities, as the case may be, then (i)(a) above will apply; and
  - (B) (in the case of an issue of Senior Preferred Notes or Senior Non-Preferred Notes only and to the extent applicable to such Notes at the relevant time) if the application of (i)(b) or (i)(c) could, in the determination of the Issuer (such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors or other Authorised Signatories of the Issuer, upon which the Trustee may rely without liability or enquiry to any person), reasonably be expected to result in the Relevant Regulator treating the next Interest Payment Date or Reset Date, as the case may be, as the effective maturity of the Notes, rather than the relevant Maturity Date, then (i)(a) above will apply; or
- (ii) in the case of any Reset Determination Date other than the first Reset Determination Date, the Subsequent Reset Rate of Interest shall be equal to the sum of:
    - (a) if Subsequent Reset Rate Previous Rate Final Fallback is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being applicable, (A) the Reset Reference Rate determined on the last preceding Reset Interest Determination Date and (B) the Subsequent Margin; or
    - (b) if Subsequent Reset Rate Last Observable Rate Final Fallback is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being applicable, (A) the last observable rate for swaps in the Specified Currency with a term equal to the relevant Reset Period which appears on the Relevant Screen Page and (B) the Subsequent Margin,

provided that:

- (A) if the application of this paragraph (ii)(b), in the determination of the Issuer (such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors or other Authorised Signatories of the Issuer, upon which the Trustee may rely without liability or enquiry to any person), could reasonably be expected to prejudice the qualification (to the extent applicable to the relevant Notes at the relevant time) of the relevant Series of Notes (in

the case of Subordinated Notes) as Tier 2 capital or (in the case of Senior Preferred Notes or Senior Non-Preferred Notes) as MREL Eligible Liabilities, as the case may be, then (ii)(a) above will apply, and

- (B) (in the case of an issue of Senior Preferred Notes or Senior Non-Preferred Notes only and to the extent applicable to the relevant Notes at the relevant time) if the application of (ii)(b) could, in the determination of the Issuer (such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors or other Authorised Signatories of the Issuer, upon which the Trustee may rely without liability or enquiry to any person), reasonably be expected to result in the Relevant Regulator treating the next Interest Payment Date or Reset Date, as the case may be, as the effective maturity of the Notes, rather than the relevant Maturity Date, then (ii)(a) above will apply,

all as determined by the Calculation Agent taking into consideration all available information that it in good faith deems relevant.

(iii) **Notification of First Reset Rate of Interest, Subsequent Reset Rate of Interest and Interest Amounts**

The Calculation Agent will cause the First Reset Rate of Interest, any Subsequent Reset Rate of Interest and, in respect of a Reset Period, the Interest Amount payable on each Interest Payment Date (or, as the case may be, any other day on which the relevant payment of interest falls due) falling in such Reset Period to be notified to the Issuer, the Trustee, the Principal Paying Agent, the Registrar (in the case of Registered Notes) and any stock exchange on which the relevant Reset Notes are for the time being listed and notice thereof to be published in accordance with Condition 15 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. 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.

(iv) **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 4(b) by the Calculation Agent or for determining the Reset Reference Rate, as applicable, shall (in the absence of wilful default, bad faith, manifest error and proven error) be binding on the Issuer, the Calculation Agent, the Principal Paying Agent, the other Paying Agents and all Holders of the Notes and (in the absence of wilful default and bad faith) no liability to the Issuer or the Holders shall attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Floating Rate Notes*

(i) **Interest Payment Dates**

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

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement; or

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

Such interest will be payable in respect of each Interest Accrual Period (as defined below).

If a Business Day Convention is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, and (x) if there is no numerically corresponding day in the calendar month 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 4(c)(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, unless otherwise provided in these Conditions:

- (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 Notes, 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 Notes, 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 or Renminbi, 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 or (iii) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets in Hong Kong are generally open for business and settlement for Renminbi payments in Hong Kong;

"Interest Accrual Period" means (i) each Interest Period and (ii) any other period (if any) in respect of which interest is to be calculated, being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due (which, if the Notes become due and payable in accordance with Condition 6, shall be the date on which such Notes become due and payable); and

"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.

(ii) **Rate of Interest**

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

(A) **ISDA Determination for Floating Rate Notes**

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

- (I) the Floating Rate Option is as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement;
- (II) the Designated Maturity is a period specified in the applicable Final Terms or, in the case of Exempt Notes, 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 Notes, 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 Notes, the applicable Pricing Supplement, the Minimum Rate of Interest shall be deemed to be zero.

(B) Screen Rate Determination for Floating Rate Notes

(I) Reference Rate other than SONIA (Non Index), SONIA (Index) or SOFR (Index)

Where (x) Screen Rate Determination is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, as the manner in which the Rate of Interest is to be determined and (y) the Reference Rate specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement is not SONIA (Non Index), SONIA (Index) or SOFR (Index), the Rate of Interest for each Interest Period will, subject as provided below, be either:

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

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at the Relevant Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) the Margin (if any), all as determined by the Principal Paying 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 Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

For the purposes of this Condition 4(c)(ii)(B)(I):

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

- (i) if the Reference Rate is the London interbank offered rate ("LIBOR") (other than Sterling 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;
- (viii) if the Reference Rate is the Hong Kong interbank offered rate ("HIBOR"), the first day of each Interest Period; or
- (ix) if the Reference Rate is the CNH Hong Kong interbank offered rate ("CNH HIBOR"), the second Hong Kong business day prior to the start 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 the case of a determination of CNH HIBOR, the principal Hong Kong office of four major banks dealing in Renminbi in the Hong Kong inter-bank market and, in each case of a determination of a Reference Rate that is not LIBOR, EURIBOR or CNH HIBOR, 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 Issuer 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; (vii) HIBOR; or (viii) CNH HIBOR, in each case for the relevant period, as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, or, in the case of Exempt Notes 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 or CNH HIBOR, as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, or, in the case of Exempt Notes only, such other Relevant Financial Centre as shall be specified in the applicable Pricing Supplement;

"Relevant Screen Page" (save where expressly defined otherwise) has the meaning specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement or such other page, section or other part as may replace it on the relevant information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"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.; (vii) in the case of HIBOR, 11.00 a.m.; or (viii) in the case of CNH HIBOR, 11.15 a.m. or if, at or around that time it is notified that the fixing will be published at 2.30 p.m., then 2.30 p.m., in each case in the Relevant Financial Centre, or, in the case of Exempt Notes, such other time as shall be specified in the applicable Pricing Supplement;

If the Relevant Screen Page is not available or if, in the case of Condition 4(c)(ii)(B)(1)(1), no offered quotation appears or, in the case of Condition 4(c)(ii)(B)(1)(2), fewer than three offered quotations appear, in each case as at the Relevant Time, the Principal Paying Agent or the Calculation Agent, as the case may be, shall request each of the Reference Banks to provide the Principal Paying 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 Principal Paying 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 Principal Paying 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 Principal Paying 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 Principal Paying 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 Principal Paying 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 Principal Paying 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 Issuer suitable for the purpose) informs the Principal Paying 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).

(II) SONIA (Non Index Determination) Floating Rate Notes

Where (x) Screen Rate Determination is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, as the manner in which

the Rate of Interest is to be determined; and (y) the Reference Rate specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, is SONIA (Non Index), the Rate of Interest for each Interest Accrual Period will, subject as provided below, be Compounded Daily SONIA with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) the applicable Margin.

"Compounded Daily SONIA" means, with respect to an Interest Accrual Period, the percentage rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) as calculated by the Calculation Agent on the relevant Interest Determination Date in accordance with the following formula (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" means the number of calendar days in:

- (i) where "Lag" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the relevant Interest Accrual Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the relevant Observation Period;

"d<sub>o</sub>" means:

- (i) where "Lag" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the number of London Banking Days in the relevant Interest Accrual Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the number of London Banking Days in the relevant Observation Period;

"i" is a series of whole numbers from one to d<sub>o</sub>, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in:

- (i) where "Lag" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the relevant Interest Accrual Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the relevant Observation 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 Accrual Period, the period from (and including) the day that falls  $p$  London Banking Days before the first day in such Interest Accrual Period, to (but excluding) the day that falls  $p$  London Banking Days before the end of such Interest Accrual Period;

" $p$ " means:

- (i) where "Lag" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, for any Interest Accrual Period, the number of London Banking Days included in the Lag Look-back Period, as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement; or
- (ii) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, for any Interest Accrual Period, the number of London Banking Days included in the Observation Shift Period, as specified in the applicable Final Terms or, in the case of Exempt Notes, 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 <sub>$i-p$ LBD</sub>" means:

- (i) where "Lag" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, 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 " $i$ "; or
- (ii) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, in respect of any London Banking Day " $i$ ", the SONIA reference rate for the relevant London Banking Day " $i$ ".

If, subject to Condition 4(d), on any London Banking Day in the relevant Observation Period, the Calculation Agent determines that the applicable SONIA reference rate is not published 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 Calculation Agent 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 Notes 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 Calculation Agent, subject to Condition 4(d), 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 Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual 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 Accrual 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 Notes for the first Interest Accrual Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Accrual 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 Accrual Period).

### (III) SONIA (Index Determination) Floating Rate Notes

Where (x) Screen Rate Determination is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, as the manner in which the Rate of Interest is to be determined; and (y) the Reference Rate specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, is SONIA (Index), the Rate of Interest for each Interest Accrual Period will, subject to Condition 4(d), be the SONIA Compounded Index Rate plus or minus (as indicated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) the applicable Margin.

"SONIA Compounded Index Rate" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Accrual Period (with the daily Sterling overnight reference rate as the reference rate for the calculation of interest) as calculated by the

Calculation Agent on the Interest Determination Date in question in accordance with the following formula:

$$\left( \frac{\text{SONIA Compounded Index}_{END}}{\text{SONIA Compounded Index}_{START}} - 1 \right) \times \frac{365}{d}$$

where:

"London Banking Day" and "Observation Period" have the meanings set out in Condition 4(c)(ii)(B)(II);

"d" means the number of calendar days in the relevant Observation Period;

"p" means the number of London Banking Days included in the SONIA Compounded Index Observation Shift Period as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement (or, if no such number is specified, five London Banking Days);

"SONIA Compounded Index" means the index known as the SONIA Compounded Index administered by the Bank of England (or any successor administrator thereof);

"SONIA Compounded Index<sub>START</sub>" means, with respect to an Interest Accrual Period, the SONIA Compounded Index Value on the first day of the relevant Observation Period;

"SONIA Compounded Index<sub>END</sub>" means the SONIA Compounded Index Value on the last day of the relevant Observation Period; and

"SONIA Compounded Index Value" means, in relation to any London Banking Day, the value of the SONIA Compounded Index as published on the Relevant Screen Page on such London Banking Day or, if the value of the SONIA Compounded Index cannot be obtained from the Relevant Screen Page, as published on the Bank of England's website at [www.bankofengland.co.uk/boeapps/database/](http://www.bankofengland.co.uk/boeapps/database/) (or such other page or website as may replace such page for the purposes of publishing the SONIA Compounded Index) in respect of the relevant London Banking Day.

Subject to Condition 4(d), if the SONIA Compounded Index Value is not available in relation to any Interest Accrual Period on the Relevant Screen Page or the Bank of England's website (or such other page or website referred to in the definition of "SONIA Compounded Index Value" above) for the determination of either or both of SONIA Compounded Index<sub>START</sub> and SONIA Compounded Index<sub>END</sub>, the Rate of Interest for such Interest Accrual Period shall be "Compounded Daily SONIA" determined as set out in Condition 4(c)(ii)(B)(II) above plus or minus (as indicated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) the applicable Margin and as if SONIA (Index) were specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, as being "Not Applicable", and for these purposes: (A) (i) the "Observation Method" shall be deemed to be "Observation Shift" and (ii) the "Observation Shift Period" shall be deemed to be equal to the "SONIA Compounded Index Observation Shift Period", as if those alternative elections had been made in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement; and (B) the "Relevant Screen Page" shall be deemed to be the "Relevant Fallback Screen Page" specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

(IV) SOFR (Index Determination) Floating Rate Notes



Where (x) Screen Rate Determination is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, as the manner in which the Rate of Interest is to be determined and (y) the Reference Rate specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, is SOFR Index, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be equal to the Compounded SOFR rate on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent.

In this Condition 4(c)(ii)(B)(IV):

"Compounded SOFR" means, with respect to an Interest Accrual Period, the percentage rate as determined by the Calculation Agent in accordance with the following formula (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards):

$$\left( \frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1 \right) \times \left( \frac{360}{d_c} \right)$$

where:

"SOFR Index<sub>Start</sub>" means, with respect to an Interest Accrual Period, the SOFR Index value on the day which falls p U.S. Government Securities Business Days preceding the first day of such Interest Accrual Period;

"SOFR Index<sub>End</sub>" means, with respect to an Interest Accrual Period, the SOFR Index value on the day which falls p U.S. Government Securities Business Days preceding the payment date relating to such Interest Accrual Period;

"SOFR Index" means, with respect to a U.S. Government Securities Business Day:

- (1) the value of the SOFR Index published on such U.S. Government Securities Business Day as such value appears on the Federal Reserve Bank of New York's Website at the Relevant Time; or
- (2) if a SOFR Index value does not so appear as specified in (1) above at the Relevant Time, then:
  - i. if a Benchmark Transition Event and its related Benchmark Replacement Date (each as defined in Condition 4(e)) have not occurred with respect to SOFR, then Compounded SOFR shall be the rate determined pursuant to the provisions below; or
  - ii. if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, then Compounded SOFR shall be the rate determined pursuant to Condition 4(e);

"SOFR" means the daily secured overnight financing rate as provided on the Federal Reserve Bank of New York's Website;

"d." means, with respect to an Observation Period, the number of calendar days in such Observation Period;

"Federal Reserve Bank of New York's Website" means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source;

"Interest Determination Date" means the date that falls p U.S. Government Securities Business Days before each Interest Payment Date (or, as the case may be, any other day on which the relevant payment of interest falls due);

"Observation Period" means, in respect of an Interest Accrual Period, the period from (and including) the day that falls p U.S. Government Securities Business Days before the first day in such Interest Accrual Period, to (but excluding) the day that falls p U.S. Government Securities Business Days before the relevant payment date for such Interest Accrual Period;

"p" means two, unless otherwise specified in the applicable Final Terms;

"Relevant Time" shall mean 3.00 p.m. in New York City, or such other time as specified in the applicable Final Terms; and

"U.S. Government Securities Business Day" means any day except for a Saturday, Sunday or a day on which, due to a recommendation of the Securities Industry and Financial Markets Association (or its successor), the fixed income departments of its members are closed for the entire day for purposes of trading in U.S. government securities.

If on any Interest Determination Date a SOFR Index<sub>Start</sub> or SOFR Index<sub>End</sub> is not published and a Benchmark Transition Event and its related Benchmark Replacement Date (each as defined in Condition 4(e)) have not occurred with respect to SOFR, "Compounded SOFR" means, for the relevant Interest Accrual Period for which such index is not available, the rate of return on a daily compounded interest investment calculated in accordance with the formula for SOFR Averages, and definitions required for such formula, published at <https://www.newyorkfed.org/markets/treasury-repo-reference-rates-information> (or any successor source). For the purposes of this provision, references in the SOFR Averages compounding formula and related definitions to "calculation period" shall be replaced with "Observation Period" and the words "that is, 30-, 90- or 180- calendar days" shall be removed. If the daily SOFR ("SOFR<sub>i</sub>") does not so appear for any day "i" in the Observation Period, SOFR<sub>i</sub> for such day "i" shall be SOFR published in respect of the first preceding U.S. Government Securities Business Day for which SOFR was published on the Federal Reserve Bank of New York's Website.

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

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

If the applicable Final Terms specify or, in the case of Exempt Notes, the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Accrual Period, then, in the event that the Rate of Interest in respect of such Interest Accrual 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 Accrual Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specify or, in the case of Exempt Notes, the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Accrual Period, then, in the event that the Rate of Interest in respect of such Interest Accrual 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 Accrual Period shall be such Maximum Rate of Interest.

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

The Principal Paying 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 Accrual Period.

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

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

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

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

- (A) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the actual number of days in the Interest Accrual Period divided by 365 (or, if any portion of that Interest Accrual 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 Accrual 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 Notes, the applicable Pricing Supplement, the actual number of days in the Interest Accrual Period divided by 365;
- (C) if "Actual/365 (Sterling)" is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the actual number of days in the Interest Accrual 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 Notes, the applicable Pricing Supplement, the actual number of days in the Interest Accrual 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 Notes, the applicable Pricing Supplement, the number of days in the Interest Accrual 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:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Accrual Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Accrual Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Accrual Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Accrual Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Accrual Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Accrual Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (F) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the number of days in the Interest Accrual 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:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Accrual Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Accrual Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Accrual Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Accrual Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Accrual Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Accrual Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

- (G) if "30E/360 (ISDA)" is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the number of days in the Interest Accrual 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:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Accrual Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Accrual Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Accrual Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Accrual Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Accrual Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Accrual 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 D<sub>2</sub> will be 30.

(v) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Accrual Period in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the Rate of Interest for such Interest Accrual 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 Notes, the applicable Pricing Supplement) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual 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 Accrual 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 4(c)(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 4(c)(ii)(A).

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

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Accrual Period and the relevant Interest Payment Date (or, as the case may be, any other day on which the relevant payment of interest falls due) to be notified to the Issuer, the Trustee, the Registrar (in the case of Registered Notes) and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 15 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 (or, as the case may be, any other day on which the relevant payment of interest falls due) 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 Accrual Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Holders of the Notes in accordance with Condition 15. 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 4(c) by the Principal Paying Agent shall (in the absence of wilful default, bad faith, manifest error and proven error) be binding on the Issuer, the Principal Paying Agent, the other Paying Agents and all Holders of the Notes and (in the absence of wilful default and bad faith) no liability to the Issuer or the Holders shall attach to the Principal Paying Agent or the Trustee 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 Notes, the applicable Pricing Supplement specifies that a Calculation Agent will be appointed in place of the Principal Paying Agent for the purposes of calculating the Rate(s) of Interest and Interest Amount(s) as aforesaid, references in this Condition 4(c) to the Principal Paying Agent shall, unless the context otherwise requires, be construed as references to such Calculation Agent.

(d) ***Benchmark Discontinuation – Independent Adviser***

This Condition 4(d) applies only if "Benchmark Discontinuation – Independent Adviser" is specified to be applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

- (i) *Independent Adviser*: If the Issuer determines 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 Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(d)(ii)(B)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 4(d)(iii)) and/or any Benchmark Amendments (in accordance with Condition 4(d)(iv)).

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

- (ii) *Successor Rate or Alternative Rate:* If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:
  - (A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall 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 Notes (subject to the operation of this Condition 4(d)); or
  - (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall 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 Notes (subject to the operation of this Condition 4(d)).
- (iii) *Adjustment Spread:* The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Issuer, following consultation with the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.
- (iv) *Benchmark Amendments:* If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 4(d) and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Conditions and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread (such amendments, the "Benchmark Amendments") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(d)(vi), without any requirement for the consent or approval of Holders, vary these Conditions and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two directors or other Authorised Signatories of the Issuer, upon which the Trustee may rely without liability or enquiry to any person, pursuant to Condition 4(d)(vi), the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Holders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, inter alia, by the execution of a deed supplemental to or amending the Trust Deed) and the Trustee shall not be liable to any party for any consequences thereof, provided that the Trustee shall not be obliged so to concur if in the opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions and/or rights afforded to the Trustee in these Conditions or the

Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

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

Notwithstanding any other provision of this Condition 4(d), no Successor Rate, Alternative Rate or Adjustment Spread will be adopted, nor will any other amendment to the terms and conditions of any Series of Notes be made to effect the Benchmark Amendments, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification (to the extent applicable to the relevant Notes at the relevant time) of the relevant Series of Notes (in the case of Subordinated Notes) as Tier 2 capital or (in the case of Senior Preferred Notes and Senior Non-Preferred Notes) as MREL Eligible Liabilities, as the case may be, such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors or other Authorised Signatories of the Issuer (upon which certificate the Trustee is entitled to rely absolutely and without liability).

In the case of Senior Preferred Notes and Senior Non-Preferred Notes only, no Successor Rate or Alternative Rate (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 4(d), if and to the extent that, in the determination of the Issuer and to the extent applicable to the relevant Notes at the relevant time, the same could reasonably be expected to result in the Relevant Regulator treating the next Interest Payment Date or Reset Date, as the case may be, as the effective maturity of the Notes, rather than the relevant Maturity Date, such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors or other Authorised Signatories of the Issuer (upon which certificate the Trustee is entitled to rely absolutely and without liability).

- (v) *Failure to appoint an Independent Adviser:* If the Issuer is unable to appoint an Independent Adviser in accordance with this Condition 4(d), the Issuer, 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(d) (with the relevant provisions in this Condition 4(d) applying *mutatis mutandis* to allow such determinations to be made by the Issuer without consultation with an Independent Adviser).

Where this Condition 4(d)(v) 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 Issuer 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.

- (vi) *Notices, etc.:* Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(d) will be notified promptly by the Issuer to the Trustee, the Principal Paying Agent, the Paying Agents and, in accordance with Condition 15, the Holders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two directors or other Authorised Signatories of the Issuer:



- (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 4(d); and
- (B) certifying that the Benchmark Amendments (if applicable) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

The Trustee shall be entitled to rely on any certificate delivered pursuant to this Condition 4(d) (without enquiry or liability to any person and without the obligation to verify or investigate the accuracy thereof) as sufficient evidence thereof. 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 and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Principal Paying Agent, the Paying Agents and the Holders. For the avoidance of doubt, each of the Trustee and the Principal Paying Agent shall not be liable to the Holders or any other such person for so acting or relying on such certificate, irrespective of whether any such modification is or may be materially prejudicial to the interests of such person.

- (vii) *Survival of the Original Reference Rate:* Without prejudice to the obligations of the Issuer under Condition 4(d), the Original Reference Rate and the fallback provisions provided for in Condition 4(b)(ii) and Condition 4(c)(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 4(d).

In such circumstances, the Issuer will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of Condition 4(d), *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 4(b)(ii) and Condition 4(c)(ii)(B) will continue to apply).

- (viii) *Definitions:* As used in this Condition 4(d):

"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 Issuer 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 Issuer determines that no such spread is customarily applied),

- (iii) the Issuer 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 Issuer determines in accordance with Condition 4(d)(ii)(B) 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 Notes.

"Benchmark Amendments" has the meaning given to it in Condition 4(d)(iv).

"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 the Principal Paying Agent, any Paying Agent, the Issuer or any other party to calculate any payments due to be made to any Holder using the Original Reference Rate,

provided that the Benchmark Event shall be deemed to occur (a) in the case of subparagraphs (2) and (3) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (4) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (5) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant

underlying market and which is specified in the relevant public statement and, in each case, 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 Issuer at its own cost under Condition 4(d)(i).

"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 Notes; 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 4(d).

"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.

(e) *Benchmark Discontinuation – ARRC SOFR*

This Condition 4(e) applies only if (i) the Specified Currency is U.S. dollars and the Reference Rate specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, is SOFR Index and (ii) "Benchmark Discontinuation – ARRC SOFR" is also specified to be applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

- (i) *Benchmark Replacement*: If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates.
- (ii) *Benchmark Replacement Conforming Changes*: In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time.

If the Issuer exercises its right to make Benchmark Replacement Conforming Changes at any time, at the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two directors or other Authorised Signatories of the Issuer, upon

which the Trustee may rely without liability or enquiry to any person, pursuant to Condition 4(e)(iv), the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Holders, be obliged to concur with the Issuer in effecting any Benchmark Replacement Conforming Changes (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed) and the Trustee shall not be liable to any party for any consequences thereof, provided that the Trustee shall not be obliged so to concur if in the opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

In connection with any such Benchmark Replacement Conforming Changes in accordance with this Condition 4(e)(ii), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 4(e), no Benchmark Replacement will be adopted, nor will any other amendment to the terms and conditions of any Series of Notes be made to effect the Benchmark Replacement Conforming Changes, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification (to the extent applicable to the relevant Notes at the relevant time) of the relevant Series of Notes (in the case of Subordinated Notes) as Tier 2 capital or (in the case of Senior Preferred Notes and Senior Non-Preferred Notes) as MREL Eligible Liabilities, as the case may be, such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors or other Authorised Signatories of the Issuer (upon which certificate the Trustee is entitled to rely absolutely and without liability).

In the case of Senior Preferred Notes and Senior Non-Preferred Notes only, no Benchmark Replacement will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 4(e), if and to the extent that, in the determination of the Issuer and to the extent applicable to the relevant Notes at the relevant time, the same could reasonably be expected to result in the Relevant Regulator treating the next Interest Payment Date as the effective maturity of the Notes, rather than the relevant Maturity Date, such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors or other Authorised Signatories of the Issuer (upon which certificate the Trustee is entitled to rely absolutely and without liability).

- (iii) *Decisions and Determinations:* Any determination, decision or election that may be made by the Issuer pursuant to this Condition 4(e), including (A) any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection and (B) for the avoidance of doubt, any Benchmark Replacement Conforming Changes, will be conclusive and binding (in the absence of manifest error) and subject as provided in this Condition 4(e)), may be made in the Issuer's sole discretion, and, subject as provided in this Condition 4(e), shall become effective without consent from any other party.
- (iv) *Notices, etc.:* Any Benchmark Replacement and the specific terms of any Benchmark Replacement Conforming Changes determined under this Condition 4(e) will be notified promptly by the Issuer to the Trustee, the Principal Paying Agent, the Paying Agents and, in accordance with Condition 15, the Holders. Such notice shall be

irrevocable and shall specify the effective date of the Benchmark Replacement Conforming Changes, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two directors or other Authorised Signatories of the Issuer:

- (a) confirming (i) that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, (ii) the relevant Benchmark Replacement and (iii) where applicable, the specific terms of any Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 4(e); and
- (b) certifying that the Benchmark Replacement Conforming Changes (if applicable) are appropriate to reflect the adoption of the relevant Benchmark Replacement.

The Trustee shall be entitled to rely on any certificate delivered pursuant to this Condition 4(e) (without enquiry or liability to any person and without the obligation to verify or investigate the accuracy thereof) as sufficient evidence thereof. The Benchmark Replacement and the Benchmark Replacement Conforming Changes (if any) specified in such certificate will (in the absence of manifest error and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be conclusive and binding on the Issuer, the Trustee, the Principal Paying Agent, the Paying Agents and the Holders. For the avoidance of doubt, each of the Trustee and the Principal Paying Agent shall not be liable to the Holders or any other such person for so acting or relying on such certificate, irrespective of whether any such modification is or may be materially prejudicial to the interests of such person.

- (v) *Definitions:* As used in this Condition 4(e):

"Benchmark" means, initially, Compounded SOFR; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement;

"Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (1) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (b) the Benchmark Replacement Adjustment;
- (2) the sum of: the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or
- (3) the sum of: (a) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar denominated floating rate notes at such time and (b) the Benchmark Replacement Adjustment;

"Benchmark Replacement Adjustment" means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment; or
- (3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar denominated floating rate notes at such time;

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Interest Accrual Period", timing and frequency of determining rates and making payments of interest) that the Issuer decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer determines is reasonably necessary);

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event" the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark (or such component) permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (2) in the case of clause (3) of the definition of "Benchmark Transition Event" the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (1) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component);

- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark (or such component), which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"ISDA Definitions" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

"ISDA Fallback Adjustment" means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"ISDA Fallback Rate" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"Reference Time" with respect to any determination of the Benchmark means (1) if the Benchmark is Compounded SOFR, the Relevant Time, and (2) if the Benchmark is not Compounded SOFR, the time determined by the Issuer in accordance with the Benchmark Replacement Conforming Changes;

"Relevant Governmental Body" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

"Unadjusted Benchmark Replacement" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(f) *Accrual of Interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the 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 Notes or such other rate as may be specified in the applicable Final Terms or, in the case of Exempt Notes, 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 Note is not

required as a precondition of payment) due presentation of the relevant Note, the relevant payment is made or, if earlier (except in the case of any payment where presentation and/or surrender of the relevant Note is not required as a precondition of payment), the seventh day after the date on which, the Trustee, the Principal Paying 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 15 of that circumstance (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

## **5. Redemption, Purchase, Substitution and Variation**

### **(a) Redemption at Maturity**

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

### **(b) Early Redemption for Taxation Reasons**

Subject to Condition 5(j) below, if:

(A) (i) in relation to any Series of Notes, a Withholding Tax Event occurs; or

(ii) in relation to any Series of Notes where "Tax Event Call" is specified as being applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, a Tax Event occurs;

and

(B) both a Tax Certificate and a Tax Opinion have been addressed and delivered to the Trustee by the Issuer,

the Issuer may, at its option, redeem all (but not some only) of the outstanding Notes comprising the relevant Series at their Early Redemption Amount referred to in Condition 5(d) below, together with accrued interest (if any) thereon, *provided that*:

(a) notice is given by the Issuer to the Trustee and the Holders in accordance with Condition 15 not less than 30 nor more than 60 days' prior to redemption;

(b) in the case of Floating Rate Notes only, redemption is to be on an Interest Payment Date; and

(c) where the Issuer would be obliged to pay additional amounts as provided in Condition 7 in respect of any payment due in respect of the Notes, then no such notice of redemption may be given earlier than 90 days (or, in the case of Floating Rate Notes, a number of days which is equal to the aggregate of the number of days falling within the then current interest period applicable to the Notes plus 60 days) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts.

Any such notice of redemption given in accordance with this Condition 5(b) shall be irrevocable.

The Trustee shall be entitled to accept any Tax Certificate or Tax Opinion as sufficient evidence that the circumstances referred to therein prevail and that the events described in (A)(i) and/or (A)(ii) above have occurred, in which event they shall be conclusive and binding on the Holders.



For the purposes of this Condition 5(b):

"Change in Tax Law" means:

- (a) any amendment to, clarification of, or change in, the laws or treaties (or any regulations thereunder) of any Taxing Jurisdiction affecting taxation;
- (b) any governmental action in the Taxing Jurisdiction; or
- (c) any amendment to, clarification of, or change in the official position or interpretation of such law, treaty (or regulation thereunder) or governmental action or any pronouncement that provides for a position with respect to such law, treaty (or regulation thereunder) or governmental action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, change, action, interpretation, pronouncement or decision is made known;

"Tax Certificate" means a certificate signed by two directors or other Authorised Signatories of the Issuer, stating that, as of its date, the circumstances constituting a Tax Event or a Withholding Tax Event (as the case may be) are prevailing and describing the facts leading thereto;

a "Tax Event" shall occur if, as a result of a Change in Tax Law of the Taxing Jurisdiction which becomes effective or is announced on or after the Issue Date of the first Tranche of such Notes:

- (a) the Issuer is, or will be, subject to pay additional amounts as provided in Condition 7 in respect of taxes, duties, governmental charges or civil liabilities with respect to the Notes or any payments thereunder;
- (b) to the extent (prior to the relevant Change in Tax Law) the Issuer was entitled to claim a deduction in respect of the Notes in computing its taxation liabilities, the Issuer is no longer, or will no longer be, entitled to claim a deduction in respect of payments in respect of the Notes in computing its taxation liabilities (or the value of any such deduction would be reduced); or
- (c) the treatment of any of the Issuer's items of income or expense with respect to the Notes as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Issuer will not be respected by a taxing authority, which subjects the Issuer to additional taxes, duties or governmental charges or civil liabilities;

"Tax Opinion" means an opinion of independent legal advisers of recognised standing and experienced in such matters stating that, as of its date, the circumstances constituting a Tax Event or a Withholding Tax Event (as the case may be) are prevailing;

"Taxing Jurisdiction" means the Kingdom of Sweden or any political subdivision thereof or any authority or agency therein or thereof having power to tax or any other jurisdiction or any political subdivision thereof or any authority or agency therein or thereof, having power to tax in which the Issuer is treated as having a permanent establishment, under the income tax laws of such jurisdiction; and

a "Withholding Tax Event" shall occur if, in respect of any payment of principal or interest of the Notes, as a result of a Change in Tax Law of the Taxing Jurisdiction which becomes effective or is announced on or after the Issue Date of the first Tranche of such Notes, the Issuer would be required to pay additional amounts as provided in Condition 7.

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

Subject to Condition 5(j) below, if Issuer Call is specified as being applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the Issuer 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 Notes, the applicable Pricing Supplement) to the Holders in accordance with Condition 15; and
- (ii) not less than 15 days before the giving of the notice referred to in (i) above, notice to the Trustee, the Principal Paying Agent (copied to the other Paying Agents, in the case of Bearer Notes) and the Registrar (copied to the Principal Paying Agent and the Transfer Agents, in the case of Registered Notes);

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes 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 Notes, 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 Notes, the applicable Pricing Supplement.

In the case of a partial redemption of Notes, the Notes to be redeemed ("Redeemed Notes") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, 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 Notes represented by a global Note, 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 Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 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 Notes, the applicable Pricing Supplement) prior to the date fixed for redemption. No exchange of the relevant global Note 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(c) and notice to that effect shall be given by the Issuer to the Holders in accordance with Condition 15 at least five days prior to the Selection Date.

(d) *Early Redemption Amounts*

For the purpose of Condition 5(b) above and Condition 6:

- (i) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount (as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement); and
- (ii) each Zero Coupon Note 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 Notes, the applicable Pricing Supplement, which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360); or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360); or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

(e) *Purchases*

The Issuer or any of its consolidated subsidiaries may purchase Notes (provided that, in the case of Definitive Bearer Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise, subject to (to the extent applicable to the relevant Notes at the relevant time), (i) (in the case of the Senior Preferred Notes and the Senior Non-Preferred Notes) the Applicable MREL Regulations or (in the case of the Subordinated Notes) the Applicable Capital Adequacy Regulations in force at the relevant time, (ii) the prior consent of the Relevant Regulator (if such consent is required by the Applicable MREL Regulations or the Applicable Capital Adequacy Regulations, as the case may be) and (iii) applicable law and regulation. Such Notes may be held, reissued, resold or, at the discretion of the Issuer, surrendered to the Principal Paying Agent or the Registrar, as the case may be, for cancellation.

In these Conditions:

"Relevant Regulator" means (to the extent applicable to the relevant Notes at the relevant time) (i) (in respect of the Subordinated Notes) the Swedish FSA and (ii) (in respect of the Senior Preferred Notes and the Senior Non-Preferred Notes) the Swedish National Debt Office or such other authority tasked with matters relating to the qualification of securities of the Issuer or the Group, as the case may be, under the Applicable MREL Regulations; and

"Swedish FSA" means the Swedish Financial Supervisory Authority (Sw: *Finansinspektionen*) or any successor entity primarily responsible for the prudential supervision of the Issuer or the Group, as the case may be.

(f) *Cancellation*

All Notes which are redeemed will forthwith be cancelled (together, in the case of Definitive Bearer Notes, with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 5(e) above (together, in the case of Definitive Bearer Notes, with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

(g) *Late Payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 5(a), 5(b) or 5(c) 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 Note shall be the amount calculated as provided in Condition 5(d)(ii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note 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 Note 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 Notes has been received by the Principal Paying Agent, the Registrar or the Trustee and notice to that effect has been given to the Holders in accordance with Condition 15.

(h) *Subordinated Notes - Redemption Upon the Occurrence of a Capital Event*

This Condition 5(h) applies only in the case of Notes specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being Subordinated Notes and where this Condition 5(h) is specified as being applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, and references to "Notes" in this Condition 5(h) shall be construed accordingly.

Subject to Condition 5(j) below, if a Capital Event occurs, the Issuer may, within 90 calendar days of the occurrence of the relevant Capital Event, at its option, give notice to (i) the Trustee and (ii) the Holders in accordance with Condition 15 (which notice shall be irrevocable) that all (but not some only) of the outstanding Notes comprising the relevant Series shall be redeemed:

- (a) in the case of all Notes other than Floating Rate Notes, at any time within the period of not less than 30 nor more than 60 days from the date of such notice; or
- (b) in the case of Floating Rate Notes, (1) on any Interest Payment Date falling within the period of not less than 30 nor more than 60 days from the date of such notice or (2) if there is no Interest Payment Date falling within (1) above, on the first Interest Payment Date to occur after the expiry of 60 days from the date of such notice,

in each case, at their principal amount or such other amount as may be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, together (in each case) with accrued interest (if any) thereon. Upon the expiry of such notice, the Issuer shall redeem the Notes.

In these Conditions:

"Applicable Capital Adequacy Regulations" means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in Sweden including, without limitation to the generality of the foregoing, CRD and those regulations, requirements, guidelines and policies relating to capital adequacy adopted from time to time and then in effect of the Relevant Regulator (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer or the Group, as the case may be);

A "Capital Event" means the determination by the Issuer, after consultation with the Relevant Regulator, that by reason of the non-compliance of the Notes with the criteria for Tier 2 capital as a result of a change in Swedish law or Applicable Capital Adequacy Regulations or any change in the official application or interpretation thereof becoming effective on or after the Issue Date of the first Tranche of the Notes, either (i) the Notes are fully excluded or (ii) if the applicable Final Terms specify or, in the case of Exempt Notes, the applicable Pricing Supplement specifies that Partial Capital Exclusion applies and to the extent partial exclusion is not prohibited under the Applicable Capital Adequacy Regulations, the Notes are fully or partially excluded, from the Tier 2 capital of the Issuer or the Group, as the case may be (other than as a result of any applicable limitation on the amount of such capital), such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors or other Authorised Signatories of the Issuer; and

"Tier 2 capital" means Tier 2 capital for the purposes of the Applicable Capital Adequacy Regulations.

(i) *Senior Preferred Notes and Senior Non-Preferred Notes - Redemption upon occurrence of a MREL Disqualification Event*

This Condition 5(i) applies only in the case of Notes specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being Senior Preferred Notes or Senior Non-Preferred Notes and where this Condition 5(i) is specified as being applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, and references to "Notes" and "Holders" in this Condition 5(i) shall be construed accordingly.

Upon the occurrence of a MREL Disqualification Event the Issuer may, at its option, but subject to Condition 5(j), give notice to (i) the Trustee and (ii) the Holders in accordance with Condition 15 (which notice shall be irrevocable) that all (but not some only) of the outstanding Notes comprising the relevant Series shall be redeemed

- (a) in the case of all Notes other than Floating Rate Notes, at any time within the period of not less than 30 nor more than 60 days from the date of such notice; or
- (b) in the case of Floating Rate Notes, (1) on any Interest Payment Date falling within the period of not less than 30 nor more than 60 days from the date of such notice or (2) if there is no Interest Payment Date falling within (1) above, on the first Interest Payment Date to occur after the expiry of 60 days from the date of such notice,

in each case, at their principal amount or at such other amount as may be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, together (in each case) with accrued interest (if any) thereon. Upon the expiry of such notice, the Issuer shall redeem the Notes.

For the purposes of these Conditions:

"MREL Disqualification Event" means, in respect of a Series of Senior Preferred Notes or, as the case may be, Senior Non-Preferred Notes, the determination by the Issuer that, as a result of a change in any Applicable MREL Regulations becoming effective on or after the Issue Date of the first Tranche of the Notes, it is likely that the Notes will be fully excluded or partially excluded from the "eligible liabilities" (or any equivalent or successor term) available to meet any MREL Requirement (however called or defined by then Applicable MREL Regulations) if the Issuer or the Group is then or, as the case may be, will be subject to such MREL Requirement, such determination to be confirmed by the Issuer to the Trustee in a certificate

signed by two directors or other Authorised Signatories of the Issuer, provided that a MREL Disqualification Event shall not occur where such exclusion is or will be caused by (1) the remaining maturity of such Notes being less than any period prescribed by any applicable eligibility criteria under the Applicable MREL Regulations or (2) any applicable limits on the amount of "eligible liabilities" (or any equivalent or successor term) permitted or allowed to meet any MREL Requirement(s) being exceeded.

(j) *Conditions to Redemption, Purchase, Substitution and Variation*

No early redemption, purchase, substitution or variation as contemplated by this Condition 5 of such Notes may be made without the prior consent of the Relevant Regulator (if such consent is required (to the extent applicable to the relevant Notes at the relevant time) (in the case of Subordinated Notes) by the Applicable Capital Adequacy Regulations or (in the case of Senior Preferred Notes and Senior Non-Preferred Notes) the Applicable MREL Regulations).

(k) *Substitution or Variation*

This Condition 5(k) applies only where this Condition 5(k) is specified as being applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, and references to "Notes" in this Condition 5(k) shall be construed accordingly.

If at any time, (i) in the case of Senior Preferred Notes and Senior Non-Preferred Notes, a MREL Disqualification Event occurs and is continuing; (ii) in the case of Subordinated Notes, a Capital Event occurs and is continuing; (iii) in any case, a Withholding Tax Event occurs and is continuing; (iv) in any case, where "Tax Event Call" is specified as applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, a Tax Event occurs and is continuing; or (v) in any case, in order to ensure the effectiveness and enforceability of Condition 18(f), the Issuer may, subject to Condition 5(j) (without any requirement for the consent or approval of the Holders or, subject as provided below, the Trustee) on giving not less than 30 nor more than 60 days' notice to (i) the Trustee and (ii) the Holders in accordance with Condition 15 (which notice shall be irrevocable) either substitute all (but not some only) of the Notes for, or vary the terms of the Notes and/or the terms of the Trust Deed so that or provided that (as the case may be) they remain or, as appropriate, become, in the case of Senior Preferred Notes, Senior Preferred Qualifying Securities (as defined below), in the case of Senior Non-Preferred Notes, Senior Non-Preferred Qualifying Securities (as defined below) or, in the case of Subordinated Notes, Subordinated Qualifying Securities (as defined below), as the case may be.

The Trustee shall (at the request and expense of the Issuer) agree to the substitution of the Notes for, or the variation of the terms of the Notes so that or provided that (as the case may be) they remain or, as appropriate, become, in the case of Senior Preferred Notes, Senior Preferred Qualifying Securities, in the case of Senior Non-Preferred Notes, Senior Non-Preferred Qualifying Securities or, in the case of Subordinated Notes, Subordinated Qualifying Securities, as the case may be, as aforesaid, provided that (i) the Trustee receives the certificate in the form described in the definition of Senior Preferred Qualifying Securities, Senior Non-Preferred Qualifying Securities or Subordinated Qualifying Securities, as the case may be, in accordance with the provisions thereof, and (ii) the terms of the proposed Senior Preferred Qualifying Securities, Senior Non-Preferred Qualifying Securities or Subordinated Qualifying Securities or the agreement to such substitution or variation, as the case may be, would not impose, in the Trustee's opinion, more onerous obligations upon it or reduce its protections or expose it to any liability.

The Trustee shall not be liable for any such substitution or variation, as the case may be, or any consequences thereof. In these Conditions:

"Senior Non-Preferred Qualifying Securities" means securities issued directly or indirectly by the Issuer that:

- (a) (other than in respect of (i) the effectiveness and enforceability of Condition 18(f) and (ii) paragraph (4) below) have terms not materially less favourable to the Holders as a class than the terms of the Senior Non-Preferred Notes (as reasonably determined by the Issuer, after having consulted an independent third party financial adviser of international standing, and provided that a certification to such effect of two directors or other Authorised Signatories of the Issuer, upon which the Trustee may rely without liability or enquiry to any person, shall have been delivered to the Trustee not less than five Business Days prior to (i) in the case of a substitution of the Senior Non-Preferred Notes, the issue of the relevant securities or (ii) in the case of a variation of the Senior Non-Preferred Notes, such variation, as the case may be), provided that they shall (1) include a ranking at least equal to that of the Senior Non-Preferred Notes prior to such substitution or variation, as the case may be, (2) have the same interest rate and the same Interest Payment Dates as those from time to time applying to the Senior Non-Preferred Notes prior to such substitution or variation, as the case may be, (3) have the same redemption rights and obligations as the Senior Non-Preferred Notes prior to such substitution or variation, as the case may be, including, but not limited to, as to timing and amount, (4) comply with the then current requirements in relation to "eligible liabilities" (or any equivalent or successor term) provided for in the Applicable MREL Regulations, (5) preserve any existing rights under the Senior Non-Preferred Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation, as the case may be, or, if none, the Interest Commencement Date, (6) where the Senior Non-Preferred Notes which have been substituted or varied had a solicited credit rating immediately prior to their substitution or variation, be assigned a solicited credit rating equal to or higher than (i) the solicited credit rating of the Senior Non-Preferred Notes immediately prior to their substitution or variation or (ii) where the solicited credit rating of the Senior Non-Preferred Notes was, as a result of Condition 18(f) becoming ineffective and/or unenforceable, amended prior to such substitution or variation, the solicited credit rating of the Senior Non-Preferred Notes immediately prior to such amendment, and (7) not include any loss absorbing provisions such as principal write-offs, write-downs or conversion to equity, unless the triggers are objective and measurable; and
- (b) are listed on a recognised stock exchange, if the Senior Non-Preferred Notes were listed immediately prior to such substitution or variation, as selected by the Issuer and approved by the Trustee.

"Senior Preferred Qualifying Securities" means securities issued directly or indirectly by the Issuer that:

- (a) (other than in respect of (i) the effectiveness and enforceability of Condition 18(f) and (ii) paragraph (4) below) have terms not materially less favourable to the Holders as a class than the terms of the Senior Preferred Notes (as reasonably determined by the Issuer, after having consulted an independent third party financial adviser of international standing, and provided that a certification to such effect of two directors or other Authorised Signatories of the Issuer, upon which the Trustee may rely without liability or enquiry to any person, shall have been delivered to the Trustee not less than five Business Days prior to (i) in the case of a substitution of the Senior Preferred Notes,

the issue of the relevant securities or (ii) in the case of a variation of the Senior Preferred Notes, such variation, as the case may be), provided that they shall (1) include a ranking at least equal to that of the Senior Preferred Notes prior to such substitution or variation, as the case may be, (2) have the same interest rate and the same Interest Payment Dates as those from time to time applying to the Senior Preferred Notes prior to such substitution or variation, as the case may be, (3) have the same redemption rights and obligations as the Senior Preferred Notes prior to such substitution or variation, as the case may be, including, but not limited to, as to timing and amount, (4) comply with the then current requirements in relation to "eligible liabilities" (or any equivalent or successor term) provided for in the Applicable MREL Regulations, (5) preserve any existing rights under the Senior Preferred Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation, as the case may be, or, if none, the Interest Commencement Date, (6) where the Senior Preferred Notes which have been substituted or varied had a solicited credit rating immediately prior to their substitution or variation, be assigned a solicited credit rating equal to or higher than (i) the solicited credit rating of the Senior Preferred Notes immediately prior to their substitution or variation or (ii) where the solicited credit rating of the Senior Preferred Notes was, as a result of Condition 18(f) becoming ineffective and/or unenforceable, amended prior to such substitution or variation, the solicited credit rating of the Senior Preferred Notes immediately prior to such amendment, and (7) not include any loss absorbing provisions such as principal write-offs, write-downs or conversion to equity, unless the triggers are objective and measurable; and

- (b) are listed on a recognised stock exchange, if the Senior Preferred Notes were listed immediately prior to such substitution or variation, as selected by the Issuer and approved by the Trustee.

"Subordinated Qualifying Securities" means securities issued directly or indirectly by the Issuer that:

- (a) (other than in respect of (i) the effectiveness and enforceability of Condition 18(f) and (ii) paragraph (4) below) have terms not materially less favourable to the Holders as a class than the terms of the Subordinated Notes (as reasonably determined by the Issuer, after having consulted an independent third party financial adviser of international standing, and provided that a certification to such effect of two directors or other Authorised Signatories of the Issuer, upon which the Trustee may rely without liability or enquiry to any person, shall have been delivered to the Trustee not less than five Business Days prior to (i) in the case of a substitution of the Subordinated Notes, the issue of the relevant securities or (ii) in the case of a variation of the Subordinated Notes, such variation, as the case may be), provided that they shall (1) include a ranking at least equal to that of the Subordinated Notes prior to such substitution or variation, as the case may be, (2) have the same interest rate and the same Interest Payment Dates as those from time to time applying to the Subordinated Notes prior to such substitution or variation, as the case may be, (3) have the same redemption rights and obligations as the Subordinated Notes prior to such substitution or variation, as the case may be, including, but not limited to, as to timing and amount, (4) comply with the then current requirements of the Relevant Regulator in relation to Tier 2 capital, (5) preserve any existing rights under the Subordinated Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation, as the case may be, or, if none, the Interest Commencement Date, (6) where the Subordinated Notes which have been substituted or varied had a solicited credit rating immediately prior to their



substitution or variation, be assigned a solicited credit rating equal to or higher than (i) the solicited credit rating of the Subordinated Notes immediately prior to their substitution or variation or (ii) where the solicited credit rating of the Subordinated Notes was, as a result of Condition 18(f) becoming ineffective and/or unenforceable, amended prior to such substitution or variation, the credit rating of the Subordinated Notes immediately prior to such amendment, and (7) not include any loss absorbing provisions such as principal write-offs, write-downs or conversion to equity, unless the triggers are objective and measurable; and

- (b) are listed on a recognised stock exchange, if the Subordinated Notes were listed immediately prior to such substitution or variation, as selected by the Issuer and approved by the Trustee.

## 6. Events of Default

- (i) The following shall be events of default (each an "Event of Default") in relation to the Notes of any Series, namely:

- (A) the Issuer shall default in the payment of principal in respect of any Note due and payable in accordance with these Conditions or the Issuer shall default in the payment of interest due on any Notes on an Interest Payment Date or any other date on which the payment of interest is compulsory and any such default continues for 15 days; or
- (B) a court or agency or supervisory authority in the Kingdom of Sweden (having jurisdiction in respect of the same) shall have instituted a proceeding or entered a decree or order for the appointment of a receiver or liquidator in any insolvency, rehabilitation, readjustment of debt, marshalling of assets and liabilities, or similar arrangements involving the Issuer or all or substantially all of its property and such proceeding, decree or order shall not have been vacated or shall have remained in force undischarged or unstayed for a period of 60 days; or
- (C) the Issuer shall file a petition to take advantage of any insolvency statute or voluntarily suspends payment of its obligations.

If any Event of Default shall have occurred and be continuing in relation to any Series of Notes, the Trustee may at its discretion, and if so requested by Holders of at least one-quarter in principal amount of the Notes of such Series then outstanding or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) will, by written notice to the Issuer declare that such Notes are and shall, subject to the provisions set out below in this Condition 6, immediately become, due and payable at their Early Redemption Amount together with all interest (if any) accrued thereon.

If a Note becomes due and payable under this Condition 6(i), the Trustee may institute such steps, including the obtaining of a judgment against the Issuer for any amount due in respect of the Notes, as it thinks desirable with a view to having the Issuer declared bankrupt (Sw: *konkurs*) or put into liquidation (Sw: *likvidation*) but not otherwise and consequently if the Notes become due and payable under this Condition 6(i) the Issuer shall, with the prior consent of the Relevant Regulator (if such consent is required by the Applicable MREL Regulations (in the case of Senior Preferred Notes and Senior Non-Preferred Notes) or the Applicable Capital Adequacy Regulations (in the case of Subordinated Notes)), only be required to make such payment after it has been declared bankrupt (Sw: *konkurs*) or put into liquidation (Sw: *likvidation*).

- (ii) The Trustee may at its discretion institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Issuer under the Notes (other than, without prejudice to Condition 6(i)) above, any obligation for the payment of any principal or interest in respect of the Notes) provided that the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.
- (iii) No remedy against the Issuer, other than as provided in Condition 6(i) and 6(ii) above or proving or claiming in the bankruptcy (Sw: *konkurs*) or liquidation (Sw: *likvidation*) of the Issuer in the Kingdom of Sweden or elsewhere, shall be available to the Trustee or the Holders of Notes, whether for the recovery of amounts owing in respect of the Notes or in respect of any breach by the Issuer of any of its obligations or undertakings under the Notes or the Trust Deed. For the avoidance of doubt, this does not affect the Trustee's personal rights to be paid and/or indemnified.

## **7. Taxation**

- (a) All amounts payable (whether in respect of principal, redemption amount, interest or otherwise) in respect of the Notes or Coupons by or on behalf of the Issuer 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 any Taxing Jurisdiction, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, in the case of a payment of interest only, the Issuer 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 any payment in respect of any Note or Coupon:
  - (i) to, 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 Note or Coupon by reason of his having some connection with the Taxing Jurisdiction other than the mere holding of such Note or Coupon; or
  - (ii) presented for payment by a Holder who is able to avoid such withholding or deduction by making a declaration of non-residence or other similar claim for exemption; or
  - (iii) presented for payment 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.
- (b) For the purposes of these Conditions, the "Relevant Date" means, in respect of any payment, 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 Trustee or the Principal Paying 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 Notes of the relevant Series in accordance with Condition 15.
- (c) Any reference in these Conditions to interest in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 7.

## 8. Payments

### (a) *Method of Payment*

Subject as provided below:

- (i) payments in a Specified Currency other than Euro or Renminbi 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);
- (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; and
- (iii) payments in Renminbi will be made by transfer to a Renminbi account maintained by or on behalf of the payee with a bank in Hong Kong.

Payments will be subject in all cases to (a) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 and (b) 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). References to "Specified Currency" will include any successor currency under applicable law.

### (b) *Presentation of Definitive Bearer Notes and Coupons*

Payments of principal in respect of Definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 8(a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer Notes, and payments of interest in respect of Definitive Bearer Notes 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 Notes will be made at such paying agencies outside the United States as the Issuer may appoint from time to time and to accounts outside the United States.

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (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 Note 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 Note, Reset Note or Long Maturity Note 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 Note" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

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

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

(c) *Payments in Respect of Bearer Notes in Global Form*

Payments of principal and interest (if any) in respect of Notes represented by any bearer global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer Notes or otherwise in the manner specified in the relevant bearer global Note, where applicable, against presentation or surrender, as the case may be, of such bearer global Note 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 Note either by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

(d) *Payments in Respect of Registered Notes*

Payments of principal in respect of Registered Notes (whether in definitive or global form) will be made in the manner provided in Condition 8(a) above to the persons in whose name such Notes 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 Notes at the specified office of the Registrar.

Payments of interest due on a Registered Note (whether in definitive or global form) will be made in the manner specified in Condition 8(a) to the person in whose name such Note 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 Notes is required by credit or transfer as referred to in Condition 8(a) above, application for such payment must be made by the Holder to the Registrar not later than the relevant Record Date.

(e) *General Provisions Applicable to Payments*

The Holder of a global Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer will be discharged by payment to, or to the order of, the Holder of such global Note 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 Notes represented by such global Note 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 Issuer to, or to the order of, the Holder of such global Note.

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

- (i) the Issuer 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 Notes 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 Issuer, adverse tax consequences to the Issuer.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar (or the Principal Paying 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 Agency Agreement.

(f) *Payment Day*

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the Holder thereof shall not be entitled to payment until the next following Payment Day in the

relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "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 Notes in definitive form only, the relevant place of presentation;
  - (B) each Financial Centre (other than TARGET2 System) specified in the applicable Final Terms or, in the case of Exempt Notes, 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 Notes, 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 or Renminbi, 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 or (III) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets in Hong Kong are generally open for business and settlement for Renminbi payments in Hong Kong.

(g) *Interpretation of Principal and Interest*

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

- (i) the Final Redemption Amount of the Notes;
- (ii) the Early Redemption Amount of the Notes;
- (iii) the Optional Redemption Amount(s) (if any) of the Notes;
- (iv) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 5(d)); and
- (v) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

(h) *Payments in respect of Swiss Domestic Notes*

Notwithstanding the foregoing provisions of this Condition 8, payments of principal and interest in respect of Swiss Domestic Notes shall be made only (a) through the Principal Swiss Paying Agent and the Intermediary as long as the Swiss Domestic Notes constitute Intermediated Securities or (b) if the Swiss Domestic Notes are in the form of Definitive Bearer Notes, at the offices of any Swiss Paying Agent in Switzerland in freely disposable Swiss Francs without collection costs and whatever the circumstances may be, irrespective of nationality, domicile or residence of the Holder of Notes and without requiring any certification, affidavit or the fulfilment of any other formality. Payments on the Swiss Domestic Notes will also be made irrespective of any present or future transfer restrictions and regardless of any bilateral or multilateral payment or clearing agreement which may be applicable at any time to such payment.

The receipt in full by the Principal Swiss Paying Agent of the due and punctual payment of the funds in Swiss Francs in Zürich in the manner provided by these Conditions and in the applicable Pricing Supplement shall release the Issuer from its obligations under the Swiss Domestic Notes for the payment of principal and interest due on the respective payment dates to the extent of such payments, except to the extent that there is default in the subsequent payment thereof to the Holders of Notes or Coupons (as the case may be).

(i) *Renminbi Account*

All payments in respect of any Note or Coupon in Renminbi will be made solely by credit to a registered Renminbi account maintained by or on behalf of the payee at a bank in Hong Kong in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of Renminbi in Hong Kong).

(j) *Renminbi Currency Event*

If Renminbi Currency Events are specified as being applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, and a Renminbi Currency Event (as defined below) occurs, the Issuer, on giving not less than five nor more than thirty days' irrevocable notice in accordance with Condition 15 to the Holders and the Trustee prior to any due date for payment, shall be entitled to satisfy its obligations in respect of such payment (in whole or in part) by making such payment in U.S. dollars on the basis of the Spot Rate for the relevant Determination Date as promptly notified to the Issuer, the Trustee and the Paying Agents by the Calculation Agent.

In such event, any payment of U.S. dollars will be made by transfer to a U.S. dollar denominated account maintained by the payee with, or by a U.S. dollar denominated cheque drawn on, a bank in New York City; and the definition of "Payment Day" in Condition 8(f) shall mean any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in: (A) in the case of Notes in definitive form only, the relevant place of presentation; and (B) London and New York City.

For the purpose of this Condition:

"Determination Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong, London and New York City;

"Determination Date" means the day which is three Determination Business Days before the due date of the relevant payment under the Notes;

"Governmental Authority" means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

"Renminbi Currency Events" means any one of Renminbi Illiquidity, Renminbi Non-Transferability and Renminbi Inconvertibility;

"Renminbi Dealer" means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong reasonably selected by the Issuer;

"Renminbi Illiquidity" means the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest or principal (in whole or in part) in respect of the Notes, as determined by the Issuer acting in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers;

"Renminbi Inconvertibility" means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes into Renminbi in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"Renminbi Non-Transferability" means the occurrence of any event that makes it impossible for the Issuer to transfer Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong (including where the Renminbi clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation); and

"Spot Rate" means the spot CNY/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in three Determination Business Days, as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent shall (in good faith and in a commercially reasonable manner) determine the Spot Rate at or around 11:00 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/U.S. dollar official fixing rate for settlement in three Determination Business Days reported by the State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuters Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

If for any reason at any relevant time the Calculation Agent defaults in its obligation to determine the Spot Rate, the Trustee shall determine (or, at the expense of the Issuer, appoint an expert to determine) the Spot Rate in such manner as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition), it shall deem fair and reasonable



in all the circumstances and such determination shall be deemed to have been made by the Calculation Agent.

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 8(j) by the Calculation Agent shall (in the absence of wilful default, bad faith, manifest error and proven error) be binding on the Issuer, the Principal Paying Agent, the other Paying Agents and all Holders of the Notes and (in the absence of wilful default and bad faith) no liability to the Issuer or the Holders shall attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

## **9. Prescription**

- (a) The Notes (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 Relevant Date therefor.
- (b) 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 8(b) or any Talon which would be void pursuant to Condition 8(b).

## **10. Agents**

The initial Agents and their respective initial specified offices are specified below. If any additional Paying Agents are appointed in connection with any Series of Notes, the names of such Paying Agents will be specified in Part B of the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement. The Issuer (with the prior written approval of the Trustee (such approval not to be unreasonably withheld)) reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents provided that (other than in the case of Swiss Domestic Notes):

- (a) there will at all times be a Paying Agent (in the case of Bearer Notes) in a jurisdiction within continental Europe;
- (b) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent, which may be the Principal Paying Agent, and a Registrar and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (c) there will at all times be a Registrar (in the case of a Series of Registered Notes) 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; and
- (d) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 8(e).

In the case of Swiss Domestic Notes, the Issuer will at all times maintain a Paying Agent having a specified office in Switzerland and will at no time appoint a Paying Agent having a specified office outside Switzerland.

The Agents 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 Agents, will be notified promptly to the Issuer, the Trustee and the Holders.

## **11. Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes) or of the Registrar (in the case of Registered Notes), subject to all applicable laws and the requirements of any stock exchange on which the Notes are listed, 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 Issuer and the Principal Paying Agent or, as the case may be, the Registrar may require. Mutilated or defaced Notes and Coupons must be surrendered before replacements will be delivered therefor.

## **12. Meetings of Holders, Modification and Waiver and Substitution**

### **(a) Meetings of Holders**

The Trust Deed contains provisions for convening meetings of Holders (including by audio or video conference call) to consider any matter affecting their interests, including (without limitation) the modification of the Notes, the Coupons or of any provision of these Conditions or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Any Extraordinary Resolution (i) duly passed at any meeting of Holders or (ii) passed by way of electronic consents given by Holders through the relevant clearing system(s) will be binding on all Holders, whether or not they are present at any meeting and whether or not they had voted on the resolution.

Such a meeting may be convened by the Trustee, the Issuer or by the Trustee upon the request in writing of Holders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent of the aggregate principal amount of the Notes for the time being outstanding or, at any adjourned meeting, one or more persons being or representing Holders whatever the aggregate principal amount of the Notes held or represented; Provided, however, that certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Holders at which one or more persons holding or representing not less than 75 per cent or, at any adjourned meeting, one or more persons holding or representing not less than 50 per cent in principal amount of the Notes for the time being outstanding form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Holders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Holders who for the time being are entitled to receive notice of a meeting of Holders under the Trust Deed will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders.

(b) **Modification and waiver**

The Trustee may agree, without the consent of the Holders, to (i) any modification of any provision of the Trust Deed which is of a formal, minor or technical nature or is made to correct a manifest error or an error which is in the opinion of the Trustee proven and (ii) any other modification (except such modifications in respect of which an increased quorum is required, as mentioned in the Trust Deed) and any waiver or authorisation of any breach or proposed breach, of any provision the Notes, of these Conditions or the Trust Deed or determine, without any such consent as aforesaid, that any Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee materially prejudicial to the interests of the Holders. In addition, the Trustee shall be obliged to concur with the Issuer without the consent of the Holders in effecting (i) any Benchmark Amendments in the circumstances and as otherwise set out in Condition 4(d); (ii) any Benchmark Replacement Conforming Changes in the circumstances and as otherwise set out in Condition 4(e), and (iii) any substitution of a Series of Notes or variation of the terms of a Series of Notes and/or the terms of the Trust Deed in respect thereof in the circumstances and as otherwise set out in Condition 5(k). Any such modification, substitution, waiver, authorisation or determination shall be binding on the Holders and, if the Trustee so requires, such modification shall be notified to the Holders as soon as practicable.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Holders as a class (but shall not have regard to any interests arising from circumstances particular to individual Holders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Holder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Holders except to the extent already provided for in Condition 7 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 7 pursuant to the Trust Deed.

Any modification to these Conditions in relation to the Notes is subject to the prior permission of the Relevant Regulator (if such permission is required by the Applicable MREL Regulations or Applicable Capital Adequacy Regulations, as the case may be).

(c) *Substitution*

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendments to the Trust Deed and such other conditions as the Trustee may require, without the consent of the Holders except as provided below, to the substitution of any other company in place of the Issuer, or of any previously substituted company as principal debtor under the Notes, Coupons and the Trust Deed provided always that the Trustee is satisfied that the interests of the Holders will not be materially prejudiced by the substitution, and certain other conditions set out in the Trust Deed are complied with. Any such substitution in relation to any Series of Notes is subject to the prior consent of the Relevant Regulator (if such consent is

required (in the case of Subordinated Notes) by the Applicable Capital Adequacy Regulations or (in the case of Senior Preferred Notes and Senior Non-Preferred Notes) the Applicable MREL Regulations).

### **13. Enforcement**

At any time after the Notes become due and payable (subject to Condition 6, as applicable), the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Notes and the Coupons, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Holders holding at least one-quarter in principal amount of the Notes outstanding, and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Holder of Notes or Coupons may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing. The Trustee shall not be obliged to make a declaration as referred to in Condition 6(i) unless indemnified and/or secured and/or prefunded to its satisfaction.

### **14. Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

### **15. Notices**

#### *To Holders of Bearer Notes*

- (a) Notices to Holders of Bearer Notes (other than Swiss Domestic Notes) 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 the United Kingdom approved by the Trustee or, in the case of Notes represented by a Temporary Global Note or a Permanent Global Note, 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 Notes listed on a stock exchange or admitted to trading by another relevant authority and if 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 such publication (or, if published more than once, on the date of first such publication) or, as the case may be, on the fourth Business Day after the date of such delivery.

Notices to Holders of Swiss Domestic Notes will, save where another means of effective communication has been specified in the applicable Pricing Supplement, be deemed to be validly given (i) if published in a leading daily newspaper with national circulation in Switzerland (which is expected to be the *Neue Zürcher Zeitung*), (ii) in the case of Swiss Domestic Notes represented by a Swiss Global Note, if delivered to SIS for communication by it to the persons shown in its records as having interests therein or (iii) in the case of Swiss Domestic Notes listed on the SIX Swiss Exchange, if published in electronic form on the internet website of the SIX Swiss Exchange Ltd ([www.six-swiss-exchange.com](http://www.six-swiss-exchange.com)) under the section headed "Official Notices" or otherwise in accordance with the regulations of the SIX Swiss Exchange Ltd. Provided that, in the case of Swiss Domestic Notes listed on any other 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. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of first such publication) or, as the case may be, on the fourth Business Day after the date of such delivery.

Holders of Coupons shall be deemed for all purposes to have notice of the contents of any notice to the Holders of Bearer Notes in accordance with this Condition.

*To Holders of Registered Notes*

- (b) In the case of any Registered Notes represented by a global Note, 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 Notes 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 Notes 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 Issuer*

- (c) Notices to the Issuer will be deemed to be validly given if delivered to the Issuer 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 Issuer's principal office is open for business.

**16. Further Issues**

The Issuer may from time to time without the consent of the Holders of any Notes of any Series create and issue further notes, bonds or debentures having the same terms and conditions as the Notes 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 Notes of such Series.

**17. Currency Indemnity**

The currency in which the Notes are denominated or, if different, payable, as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement (the "Contractual Currency") is the sole currency of account and payment for all sums payable by the Issuer in respect of the Notes, including damages. Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Holder of a Note or a Coupon in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Contractual Currency which such

Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that amount is less than the amount in the Contractual Currency expressed to be due to any Holder of a Note or a Coupon in respect of such Note or Coupon the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of a Note or a Coupon and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Notes or any judgment or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant Holder of a Note or a Coupon and no proof or evidence of any actual loss will be required by the Issuer.

**18. Governing Law, Jurisdiction and Swedish Statutory Loss Absorption Powers**

- (a) *Governing law:* The Notes, the Agency Agreement and the Trust Deed, 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 the provisions in the Notes under Condition 3 and Clause 3 of the Trust Deed are governed by, and shall be construed in accordance with, Swedish law.
- (b) *English courts:* The Issuer agrees for the benefit of the Trustee and the Holders that the courts of England shall have exclusive jurisdiction to settle any dispute (a "Dispute") arising from or connected with the Notes (including a Dispute relating to any non-contractual obligations arising out of or in connection therewith).
- (c) *Appropriate forum:* The Issuer agrees that the courts referred to in Condition 18(b) are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient.
- (d) *Rights of Holders to take proceedings outside England:* Condition 18(b) is for the benefit of the Trustee and the Holders only. As a result, nothing in this Condition 18 prevents the Trustee or any Holder from taking proceedings relating to a Dispute ("Proceedings") (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Notes and the Trust Deed) in any other courts with jurisdiction. To the extent allowed by law, the Trustee and the Holders may take concurrent Proceedings in any number of jurisdictions.
- (e) *Process agent:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered in connection with any Proceedings in England 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 such person is not or ceases to be effectively appointed to accept service of process on the Issuer's behalf, the Issuer shall, on the written demand of any Holder addressed to the Issuer and delivered to the Issuer or to the specified office of the Trustee, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Holder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the specified office of the Trustee. Nothing in this paragraph shall affect the right of any Holder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

- (f) *Acknowledgement of Swedish Statutory Loss Absorption Powers*: Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements or understanding between the Issuer and any Holder (which, for the purposes of this Condition 18(f), includes each holder of a beneficial interest in the Notes), by its acquisition of the Notes, each Holder acknowledges and accepts that any liability arising under the Notes 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 Notes;
    - (II) the conversion of all, or a portion, of the Relevant Amounts in respect of the Notes into shares, other securities or other obligations of the Issuer 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 Notes;
    - (III) the cancellation of the Notes or the Relevant Amounts in respect of the Notes; and
    - (IV) the amendment of the amount of interest payable on the Notes, 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 Notes, 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 18(f):

"Relevant Amounts" means the outstanding principal amount of the Notes, together with any accrued but unpaid interest and additional amounts (as described in Condition 7) due on the Notes. 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 Issuer; 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 Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified, or converted into shares, other securities or other obligations of the Issuer or any other person (or suspended for a temporary period).

**19. Third Parties**

No person shall have any right to enforce any term or condition of this Note 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 Use and Estimated Net Amounts of Proceeds

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An amount equal to the net proceeds from each Tranche of Notes will, unless otherwise specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, be applied/allocated by the Issuer as follows:

- (a) where "General Business Purposes" is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, for its general business purposes; or
- (b) where "Green Bonds" is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, to a sub-portfolio of loans with a special purpose to finance or refinance, in whole or in part, Eligible Green Assets that fulfil the Eligibility Criteria (each as defined below and as amended from time to time) set out in the Issuer's green bond framework, as amended from time to time (the "Swedbank Green Bond Framework").

The estimated net amount of proceeds of each Tranche of Notes will be stated in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

### *Eligible Green Assets*

The Swedbank Green Bond Framework's "Eligibility Criteria" are intended to provide environmental benefits and promote the transition to low-carbon, climate resilient and sustainable economies through loans and investments in Nordic and Baltic countries in one or more of the following areas ("Eligible Green Assets"):

- Renewable energy projects, defined as renewable energy from wind energy, solar energy and small-scale hydro energy (in the case of small-scale hydro energy, Eligible Green Assets will be limited to those in Nordic countries).
- Energy efficiency, defined as green buildings, including residential or commercial buildings that earn certain recognised third-party environmental certifications, or other energy efficiency projects, including infrastructure, technology and processes such as energy storage, smart grid solutions and district heating/cooling.
- Sustainable management of living natural resources, defined as sustainable forestry and agriculture that meet certain recognised third-party environmental standards.
- Pollution prevention and control, defined as sustainable waste management, including recycling, waste-to-energy generation, incineration of non-recyclable municipal waste and energy generation from forest biomass from forests that meet certain recognised third-party environmental standards.
- Clean transportation, defined as public passenger transport and low carbon vehicular solutions, systems and charging/supporting infrastructure aimed at reducing air pollution.

### *Green Asset Evaluation and Selection Process*

Swedbank's business units select potential eligible green assets and prepare applications with supporting documentation for submission to Swedbank's Group Sustainability department. Group Sustainability then performs a sustainability analysis for each application to determine whether the relevant asset satisfies the Eligibility Criteria. If approved by Group Sustainability, the application is then submitted to Swedbank's Green Bond Committee. The Green Bond Committee, chaired by the Head

of Group Sustainability and comprising representatives from Group Risk, Group Treasury, LC&I and Swedish Banking, is responsible for final approval of all Eligible Green Assets.

#### *Management of Proceeds*

Once an Eligible Green Asset has been approved, it is registered in Swedbank's green asset register (the "Green Asset Register"). Group Treasury monitors the Green Asset Register on a quarterly basis to ensure that all proceeds from Green Bond issuances are allocated to a corresponding amount of Eligible Green Assets. Group Treasury also ensures that the aggregate amount of Eligible Green Assets in the Green Asset Register is equal to or greater than the aggregate amount to be raised by a given issuance of Green Bonds. Proceeds of Green Bonds may be reallocated to other Eligible Green Assets during the term of the bond, including in the event that the original Eligible Green Assets are no longer the Green Assets Register.

If for any reason the aggregate amount in the Green Asset Register is less than the total outstanding amount of Green Bonds issued, Swedbank will invest the excess proceeds in accordance with its internal sustainability policy framework and liquidity reserve requirements.

#### *Reporting*

The Swedbank Green Bond Framework is available at <https://www.swedbank.com/investor-relations/debt-investors/green-bonds.html>.

Swedbank will, on an annual basis, publish an impact report (a "Green Bond Impact Report"). Each Green Bond Impact Report will detail the total amount of Eligible Green Assets in the Green Asset Register and the total amount of Green Bonds outstanding at its date. The Green Bond Impact Report will also provide details on the environmental impacts of the Eligible Green Assets at the portfolio level. Green Bond Impact Reports will be published until the maturity of the relevant Green Bonds and be made available on the Issuer's website. For the avoidance of doubt, any information contained in, or accessible through, the Issuer's website is not incorporated by reference, and does not constitute part of, this Base Prospectus.

Swedbank has also engaged an independent external auditor to review the allocation of Green Bond proceeds to Eligible Green Assets. Such auditor will be requested to provide a limited assurance report on the compliance of the allocation of such proceeds with the Swedbank Green Bond Framework on an annual basis, which report will be included in the Green Bond Impact Report.

The Swedbank Green Bond Framework is subject to change in all respects at any time without notice. In addition, neither Swedbank nor the Dealers make any assurance or representation as to (i) whether the Eligible Green Assets will meet the relevant environmental and sustainability criteria or the expectations of investors regarding environmental impact and sustainability performance, (ii) whether the net proceeds of any Green Bonds will be capable of being applied in, or substantially in, the manner described in this Base Prospectus and/or the applicable Final Terms or (iii) the specific characteristics of the Eligible Green Assets. See "Risk Factors—Risks Relating to the Structure of a Particular Issue of Notes—In respect of any Notes issued with a specific use of proceeds, such as a "Green Bond", there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor."

## 6 Form of Notes; Summary of Provisions Relating to the Notes while in Global Form

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Notes may, subject to all applicable legal and regulatory requirements, be issued in bearer form ("Bearer Notes") or in registered form ("Registered Notes"), as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

### 6.1 Form of Registered Notes

In the case of Registered Notes, the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement may specify that the Notes will be issued in global form ("Registered Global Notes") held in specified clearing systems, as described below, or in definitive form ("Registered Definitive Notes").

#### 6.1.1 Form of Registered Global Notes

If Notes are to be issued in the form of Registered Global Notes, the Issuer will deliver an Unrestricted Registered Global Note (as defined below) and/or a Restricted Registered Global Note (as defined below) as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

#### 6.1.2 Unrestricted and Restricted Registered Global Notes

Registered Notes offered and sold to non-U.S. persons in reliance on Regulation S under the Securities Act ("Regulation S") may be represented by a Registered Global Note, without interest coupons (an "Unrestricted Registered Global Note") and Registered Notes offered and sold within the United States in reliance on Rule 144A under the Securities Act ("Rule 144A"), may be represented by a Registered Global Note, without interest coupons (a "Restricted Registered Global Note").

The Unrestricted Registered Global Note will be deposited on or about the issue date for the relevant Tranche with a common depository or a common safekeeper, as the case may be, for, and registered in the name of Citivic Nominees Limited as nominee for Euroclear Bank SA/ NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg") or in the name of a nominee of the common safekeeper. A beneficial interest in the Unrestricted Registered Global Note may at all times be held only through Euroclear and Clearstream, Luxembourg. The Restricted Registered Global Note will be deposited on or about the issue date for the relevant Tranche with the Registrar as custodian (the "Custodian") for, and registered in the name of Cede & Co. as nominee for, DTC. In the circumstances described below under "Exchange and Transfer of Registered Global Notes for Registered Definitive Notes", interests in any Unrestricted Registered Global Note will be exchangeable for unrestricted Registered Definitive Notes ("Unrestricted Registered Definitive Notes") and interests in any Restricted Registered Global Note will be exchangeable for restricted Registered Definitive Notes ("Restricted Registered Definitive Notes"). Restricted Registered Global Notes (and any Restricted Registered Definitive Notes issued in exchange therefor) will be subject to certain restrictions on transfer contained in a legend appearing on the face of such Note set forth under "Notice to Purchasers of Restricted Notes and Transfer Restrictions".

Each Unrestricted Registered Global Note will have an ISIN number and each Restricted Registered Global Note will have a CUSIP number.

#### 6.1.3 Exchange of Interests in Unrestricted and Restricted Registered Global Notes; Transfers within and between DTC, Clearstream, Luxembourg and Euroclear

On or prior to the 40th day after the later of the commencement of the offering of the relevant Tranche and the issue date for that Tranche, a beneficial interest in the relevant Unrestricted Registered Global Note may be transferred to a person who wishes to take delivery of such beneficial interest through the relevant Restricted Registered Global Note only upon receipt by the Registrar (as defined in the Agency Agreement) of a written certification from the transferor (in the applicable form provided in the Agency Agreement) to the effect of such transfer is being made to a person whom the transferor reasonably believes is a qualified institutional buyer within the meaning of Rule 144A, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of the states of the United States and any other applicable jurisdiction. After such 40th day, such certification requirements will no longer apply to such transfers, but such transfers will continue to be subject to the transfer restrictions contained in the legend appearing on the face of such Restricted Registered Global Note, as set out under "Notice to Purchasers of Restricted Notes and Transfer Restrictions".

Beneficial interests in a Restricted Registered Global Note may be transferred to a person who wishes to take delivery of such beneficial interest through the relevant Unrestricted Registered Global Note, only upon receipt by the Registrar of a written certification from the transferor (in the applicable form provided in the Agency Agreement) to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S or Rule 144 under the Securities Act (if available).

Any beneficial interest in either the Restricted Registered Global Note or the Unrestricted Registered Global Note relating to any Series that is transferred to a person who takes delivery in the form of a beneficial interest in the other Registered Global Note relating to such Series will, upon transfer, cease to be a beneficial interest in such Registered Global Note and become a beneficial interest in the other Registered Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to a beneficial interest in such other Registered Global Note for as long as it remains such an interest.

#### **6.1.4 *Owner of Registered Global Notes and Payments***

Subject to certain provisions of the Trust Deed relating to directions, sanctions and consents of Holders of Registered Notes and to meetings of Holders, so long as DTC or its nominee or Euroclear, Clearstream, Luxembourg or the nominee of their common depository or the nominee of the common safekeeper, as the case may be, is the registered owner or Holder of a Registered Global Note, DTC, Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, will be considered the sole owner or Holder of the Notes represented by such Registered Global Note for all purposes under the Trust Deed and the Notes. Payments of principal, interest and additional amounts, if any, pursuant to Condition 8, if any, on Registered Global Notes will be made to DTC, Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, as the registered Holder thereof. None of the Issuer, the Registrar, any Transfer Agent and any Paying Agent or any affiliate of any of the above will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

#### **6.1.5 *Exchange and Transfer of Registered Global Notes for Registered Definitive Notes***

Beneficial interests in a Restricted Registered Global Note will be exchangeable for Restricted Registered Definitive Notes; (i) if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depository with respect to the relevant Restricted Registered Global Note or ceases to be a "clearing agency" registered under the Exchange Act, or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of such

depository; or (ii) if the Issuer, at its option, elects to terminate the book-entry system through DTC; or (iii) if an Event of Default as set out in Condition 6 occurs and is continuing; or (iv) if so specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, if the Holder of the relevant Restricted Registered Global Note requests that such interest be exchanged for Restricted Registered Definitive Notes in the relevant form; or (v) at the option of the Issuer, if the Issuer, any Paying Agent or the Registrar, 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 Notes which would not be required if such Notes were in definitive form.

Beneficial interests in an Unrestricted Registered Global Note will be exchangeable, in whole but not in part, for Unrestricted Registered Definitive Notes: (i) if 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 permanently to cease business; or (ii) if an Event of Default as set out in Condition 6 occurs and is continuing; or (iii) if so specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, if the Holder of the relevant Unrestricted Registered Global Note requests that such interest be exchanged for Unrestricted Registered Definitive Notes in the relevant form; or (iv) at the option of the Issuer, if the Issuer, any Paying Agent or the Registrar, 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 Notes which would not be required if such Notes were in definitive form.

In such circumstances, (a) the Registrar will be required to notify all Holders of interests in the relevant Registered Global Notes registered in the name of DTC or its nominee or Euroclear, Clearstream, Luxembourg or the nominee of their common depository or the nominee of the common safekeeper, as the case may be, of the availability of Restricted or Unrestricted Registered Definitive Notes, as the case may be, and (b) the Issuer will, at the cost of the Issuer, cause sufficient Unrestricted Registered Definitive Notes and/or Restricted Registered Definitive Notes, as the case may be, to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Holders. A person having an interest in the relevant Registered Global Note must provide the Registrar with:

- (i) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver the relevant Registered Definitive Note; and
- (ii) in the case of a Restricted Registered Global Note only, a fully completed, signed certification substantially to the effect that the exchanging Holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Restricted Registered Definitive Notes issued in exchange for a beneficial interest in a Restricted Registered Global Note will bear the legend applicable to transfers pursuant to Rule 144A (as set out under "Notice to Purchasers of Restricted Notes and Transfer Restrictions").

Notes in one form (bearer or registered) will not be exchangeable for Notes in the other.

The Holder of a Registered Note may transfer such Registered Note in accordance with the provisions of Condition 2 of the Terms and Conditions of the Notes. The Holder of a Registered Definitive Note may transfer such Note by surrendering it at the specified office of the Registrar or any Transfer Agent, together with the completed form of transfer thereon. Upon the transfer, exchange or replacement of Restricted Registered Definitive Notes issued in exchange for beneficial interests in a Restricted Registered Global Note bearing the legend referred to under "Notice to Purchasers of Restricted Notes and Transfer Restrictions", or upon specific request

for removal of the legend on a Restricted Registered Definitive Note, the Registrar will only deliver Restricted Registered Definitive Notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar an opinion, reasonably satisfactory to the Issuer, of counsel experienced in giving opinions with respect to questions arising under the securities laws of the United States to that effect neither such legend nor the restriction on transfer set forth therein are required to ensure compliance with the provisions of such laws.

The Registrar will not register the transfer of or exchange of interests in a Registered Global Note for Registered Definitive Notes for a period of 15 calendar days preceding the due date for any payment in respect of the Notes.

## **6.2 Form of Bearer Notes (other than Swiss Domestic Notes)**

Each Tranche of Bearer Notes (other than Swiss Domestic Notes) with a maturity of more than one year will be issued in accordance with U.S. Treasury regulation 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) ("TEFRA D") and will be represented upon issue by a temporary global Note in bearer form without interest coupons or talons (a "Temporary Global Note") which will:

- (i) if the Temporary Global Note is intended to be issued in New Global Note ("NGN") form, as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, be delivered on or prior to the original issue date of the Tranche to a common safekeeper for Euroclear and Clearstream, Luxembourg; and
- (ii) if the Temporary Global Note is not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the "Common Depositary") for Euroclear and Clearstream, Luxembourg.

Interests in a Temporary Global Note will be exchangeable either for Bearer Notes in definitive form ("Definitive Bearer Notes") or for interests in a permanent global Note in bearer form without interest coupons or talons (a "Permanent Global Note"), on or after the date (the "Exchange Date") which is 40 days after the date on which such Temporary Global Note is issued and upon certification as to non-U.S. beneficial ownership thereof or otherwise as required by U.S. Treasury regulations, in accordance with the terms of such Temporary Global Note and as specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

Any Permanent Global Note will be exchangeable, in whole but not in part, for Definitive Bearer Notes either (a) upon not less than 45 days' written notice (expiring at least 30 days after the Exchange Date) from the bearer to the Principal Paying Agent as described therein or (b) upon not less than 45 days' written notice (expiring at least 30 days after the Exchange Date) from the bearer to the Principal Paying Agent only upon the occurrence of an Exchange Event as described therein. "Exchange Event" means, unless otherwise specified in the Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, (i) either of Euroclear or Clearstream, Luxembourg or any other clearing system by which the Notes have been accepted for clearing 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, (ii) an Event of Default as set out in Condition 6 occurs and is continuing or (iii) at the option of the Issuer if the Issuer 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 Notes which would not be required if such Notes were in definitive form.

In respect of Notes represented by a global Note issued in NGN form, the nominal amount of such Notes shall be the aggregate amount from time to time entered in the records of Euroclear and/or Clearstream, Luxembourg. The records of Euroclear and Clearstream, Luxembourg shall be conclusive evidence of the nominal amount of such Notes and a statement issued by Euroclear and/or Clearstream, Luxembourg shall be conclusive evidence of the records of such parties at that time.

### **6.2.1 Payments in respect of Bearer Notes (other than Swiss Domestic Notes)**

All payments, if any, in respect of the Definitive Bearer Notes will be made against presentation and surrender or, in respect of a Temporary Global Note or Permanent Global Note, presentation of the relevant Temporary Global Note or Permanent Global Note, as the case may be, (if such Notes are not intended to be issued in NGN form) at the specified office of any Paying Agent outside the United States. A record of each payment so made in respect of Notes when represented by a Permanent Global Note will be made by (i) in the case of Notes not intended to be issued in NGN form, endorsement on the relevant schedule to such Permanent Global Note by or on behalf of the relevant Paying Agent, which endorsement will be *prima facie* evidence that such payment has been made or (ii) in the case of Notes issued in NGN form, the relevant Paying Agent instructing Euroclear and Clearstream, Luxembourg to make appropriate entries in their records to reflect such payment.

If any date on which a payment of interest is due on the Notes of a Series issued in accordance with TEFRA D occurs while any of the Notes of that Series are represented by a Temporary Global Note, the relevant interest payment will be made on such Temporary Global Note (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification has been received by Euroclear and/or Clearstream, Luxembourg as to the non-U.S. beneficial ownership thereof, as required by U.S. Treasury regulations, in accordance with the terms of such Temporary Global Note.

### **6.3 Form of Bearer Notes which are Swiss Domestic Notes**

Each Tranche of Swiss Domestic Notes with a maturity of more than one year will be issued in accordance with TEFRA D (in accordance with usual Swiss practice) and will be represented by a permanent global Note (the "Swiss Global Note") which will be deposited with SIX SIS Ltd, the Swiss Securities Services Corporation located in Olten, Switzerland ("SIS") or, as the case may be, with any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIS or any such other intermediary, the "Intermediary"), until final redemption or the printing of Definitive Bearer Notes.

Once the Swiss Global Note is deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Notes will constitute intermediated securities (*Bucheffekten*) ("Intermediated Securities") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Each Holder (as such term shall be construed in accordance with the following paragraph) of Swiss Domestic Notes shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Swiss Global Note to the extent of his claim against the Issuer, provided that for so long as the Swiss Global Note remains deposited with the Intermediary the co-ownership interest shall be suspended and the Swiss Domestic Notes may only be transferred or otherwise disposed of by the entry of the transferred Swiss Domestic Notes in a securities account of the transferee.

The records of the Intermediary will determine the number of Swiss Domestic Notes held through each participant in that Intermediary. In respect of the Swiss Domestic Notes held in

the form of Intermediated Securities, the holders of the Swiss Domestic Notes will be the persons holding the Swiss Domestic Notes in a securities account in their own name and for their own account or in case of intermediaries (*Verwahrungsstellen*), the intermediaries (*Verwahrungsstellen*) holding the Swiss Domestic Notes for their own account in a securities account (*Effektenkonto*) which is in their name. The term "Holder" as used herein shall, in relation to any such Swiss Domestic Notes held in the form of Intermediated Securities, be construed accordingly.

Holders of Swiss Domestic Notes do not have the right to request the printing and delivery of Definitive Bearer Notes. Interests in a Swiss Global Note will be exchangeable, in whole but not in part, for Definitive Bearer Notes if the Principal Swiss Paying Agent (i) determines that the printing and delivery of Definitive Bearer Notes is required by Swiss or other applicable laws and regulations in connection with the enforcement of rights or (ii) deems the printing and delivery of Definitive Bearer Notes to be useful or desirable for any other reason. Should the Principal Swiss Paying Agent so determine, it shall provide for the printing of Definitive Bearer Notes without cost to the Holders. Upon delivery of the Definitive Bearer Notes, the Swiss Global Note will be cancelled and the Definitive Bearer Notes shall be delivered to the Holders against cancellation of the Swiss Domestic Notes in the Holders' securities accounts.

### **6.3.1 *Payments in respect of Bearer Notes which are Swiss Domestic Notes***

Payments of principal and interest in respect of Swiss Domestic Notes shall be made only (a) through the Principal Swiss Paying Agent and the Intermediary as long as the Swiss Domestic Notes constitute Intermediated Securities or (b) if the Swiss Domestic Notes are in the form of Definitive Bearer Notes, at the offices of any Swiss Paying Agent in Switzerland without requiring any certification, affidavit or the fulfilment of any other formality.

## **6.4 Issuer-ICSDs Agreement**

The Issuer has entered or will enter into an agreement with Euroclear and Clearstream, Luxembourg (together, the "ICSDs") in respect of any Bearer Notes (other than Swiss Domestic Notes) issued in NGN form or any Registered Notes intended to be held under the new safekeeping structure ("NSS") that the Issuer 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 Notes, *inter alia*, maintain records of their respective portion of the issue outstanding amount and will, upon the Issuer's request, produce a statement for the Issuer's use showing the total nominal amount of its customer holdings of such Notes as of a specified date.



## 7 Form of Final Terms

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

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes 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 European Economic Area (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 (EU) 2016/97, 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 Regulation (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 Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes 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 United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK 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 Notes has led to the conclusion that: (i) the target market for the Notes 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 Notes 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 Notes (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 Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**[UK MIFIR 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 Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the Notes 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 Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (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 target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in [MiFID II/Directive 2014/65/EU (as amended) ("MiFID II")]; *EITHER* [(ii) all channels for distribution of the Notes 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 Notes 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]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (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 Notes (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].]

**[UK MIFIR product governance / Retail investors, professional investors and eligible counterparties target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is retail clients, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"), and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR"); *EITHER* [and (ii) all channels for distribution of the Notes 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 Notes to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][ non-advised sales ][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (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 COBS, as applicable].]

**[Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (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 Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes 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.)<sup>4</sup>

### **[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\*].]

[Date]

### **SWEDBANK AB (publ)**

**Legal Entity Identifier (LEI): M312WZV08Y7LYUC71685**

Issue of

*[Aggregate Nominal Amount of Tranche] [Title of Notes]*

under the

**U.S.\$40,000,000,000 Global Medium Term Note Programme**

### **PART A - CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 10 May 2021 (the "Base Prospectus") [as supplemented by the supplement[s] dated [●] [and [●]]] which [together] constitute[s] a base prospectus for the purposes of

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<sup>4</sup> Legend to be included on front of the Final Terms if the Issuer has re-classified the Notes 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 Notes are to be offered in Singapore. Relevant Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

\* Insert for 144A Notes only.

the Prospectus Regulation. For the purposes of these Final Terms, "Prospectus Regulation" means Regulation (EU) 2017/1129. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus [as so supplemented] in order to obtain all the relevant information. The Base Prospectus [and the supplement[s]] [has] [have] been published on the website of the Irish Stock Exchange plc trading as Euronext Dublin at <https://www.euronext.com/en/markets/dublin>.]

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") set forth in the [Base Prospectus/Information Memorandum] dated [15 May 2012/15 May 2013/13 May 2014/13 May 2015/13 May 2016/12 May 2017/16 May 2018/14 May 2019/13 May 2020] which are incorporated by reference in the Base Prospectus dated 10 May 2021 (the "Base Prospectus"). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus [as supplemented by the supplement[s] dated [ ] [and [ ]]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation] in order to obtain all relevant information. For the purposes of these Final Terms, "Prospectus Regulation" means Regulation (EU) 2017/1129. The Base Prospectus [and the supplement[s]] [has] [have] been published on the website of the Irish Stock Exchange plc trading as Euronext Dublin at <https://www.euronext.com/en/markets/dublin>.]

*[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 sub-paragraphs. 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 23 of the Prospectus Regulation.]*

*[If the Notes 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. | <b>Issuer:</b>   | Swedbank AB (publ)   |
| 2. | (i) Series Number:   | [●]  |
|    | (ii) Tranche Number:   | [●]  |
|    | (iii) Date on which the Notes will be consolidated and form a single Series: | [The Notes will be consolidated and form a single Series with [●] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 21 below, which is expected to occur on or about [●]]] [Not Applicable] |
| 3. | <b>Specified Currency or Currencies:</b>                                     | [●] <sup>5</sup>   |
| 4. | <b>Aggregate Nominal Amount:</b>   | [●]  |
|    | (i) Series:  | [●]  |

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<sup>5</sup> Use the abbreviation "CNY" for RMB Notes.

- (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 Notes in definitive form will be issued with a denomination above [€199,000].")<sup>6</sup>*
- (ii) **Calculation Amount:<sup>7</sup>** [●]  
*(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 Notes and RMB Notes) Interest Payment Date falling in or nearest to the relevant month and year]
9. **Interest Basis:** [[●] per cent Fixed Rate]  
 [Reset Notes]  
 [[●] month  
 [LIBOR/EURIBOR/STIBOR/NIBOR/CIBOR/TIBOR/HIBOR/CNH HIBOR] +/- [●] per cent Floating Rate]  
 [SONIA (Non Index) +/- [ ] per cent Floating Rate]  
 [SONIA (Index) +/- [ ] per cent Floating Rate]  
 [SOFR Index +/- [ ] per cent Floating Rate]  
 [Zero Coupon]
10. **Redemption/Payment Basis:** Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the

<sup>6</sup> Not applicable if Notes being issued are in registered form.

<sup>7</sup> For Renminbi denominated Fixed Rate Notes where the Interest Payment Date is subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01 (CNY0.005 being rounded upwards)."

- 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 Notes into another interest basis by cross-referring to paragraphs 14, 15 or 16 below.*]
12. **Call Option:** [Issuer Call] [Not Applicable] [(see paragraph 18 below)]
13. (i) **Status of the Notes:** [Senior Preferred - Condition 3(a) will apply / Senior Non-Preferred - Condition 3(b) will apply / Subordinated - Condition 3(c) will apply]
- (a) [Redemption upon occurrence of a MREL Disqualification Event and amounts payable on redemption thereof: [Applicable – Condition 5(i) will apply/Not Applicable]  
*(If not applicable, delete the remaining subparagraph of this paragraph)*  
  
[If the Issuer elects to redeem the Notes following the occurrence of a MREL Disqualification Event pursuant to Condition 5(i), the Notes shall be redeemed in the amount of [●] per Calculation Amount]  
  
*(N.B. Only relevant for Senior Preferred Notes and Senior Non-Preferred Notes)]*
- (b) [Redemption upon occurrence of Capital Event and amounts payable on redemption thereof: [Applicable – Condition 5(h) will apply/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*  
  
[If the Issuer elects to redeem the Notes following the occurrence of a Capital Event pursuant to Condition 5(h), the Notes shall be redeemed in the amount of [●] per Calculation Amount]  
  
Partial Capital Exclusion: [Applicable / Not Applicable]  
  
*(N.B. Only relevant for Subordinated Notes)]*
- (c) [Redemption for taxation reasons: Condition 5(b) will apply  
  
Tax Event Call [Applicable - Condition 5(b)(A)(ii) will apply/Not Applicable]]
- (d) Substitution or variation: [Applicable – Condition 5(k) will apply/Not Applicable]

- [(ii)] **Date Board approval for issuance of Notes obtained:** [●] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular Tranche of Notes)*

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Note Provisions:** [Applicable/Not Applicable]  
(Condition 4(a)) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest: [●] per cent per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [●] [and [●]] in each year<sup>8</sup>, 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]<sup>9</sup>/[Not Applicable]  
*(Applicable to Notes in definitive form)*
- (iv) Broken Amount(s): [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]]/[Not Applicable]  
*(Applicable to Notes in definitive form)*
- (v) Day Count Fraction: [30/360]  
[Actual/Actual (ICMA)]  
[Actual/365 (Fixed)]
- (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) Interest Payment Date Adjustment: [Applicable/Not Applicable]  
*(Applicable to RMB Notes only)*
- (viii) Business Centre(s): [[●]]/[Not Applicable]  
*(Applicable to RMB Notes only)*
15. **Reset Note Provisions** [Applicable/Not Applicable]

<sup>8</sup> Note that for certain Renminbi denominated Fixed Rate Notes the Interest Payment Date is subject to modification and the following words should be added: "provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day."

<sup>9</sup> For Renminbi denominated Fixed Rate Notes where the Interest Payment Date is subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01 (CNY0.005 being rounded upwards)."

- (Condition 4(b)) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Initial Rate of Interest: [●] per cent per annum payable in arrear on each Interest Payment Date
- (ii) Initial Mid-Swap Rate: [●] per cent/[Not Applicable]
- (iii) First Margin: [+/-][●] per cent per annum
- (iv) Subsequent Margin: [[+/-][●] per cent per annum]/[Not Applicable]
- (v) Interest Payment Date(s): [●] [and [●]] in each year, from and including [●], up to and including the Maturity Date
- (vi) First Reset Date: [●]
- (vii) Second Reset Date: [●]/[Not Applicable]
- (viii) Subsequent Reset Date(s): [●] [and [●]]/[Not Applicable]
- (ix) Reset Reference Rate: [Mid-Swap Rate/Reference Bond/CMT Rate]
- (If Reference Bond is specified as the applicable Reset Reference Rate, delete the remainder of this paragraph 15(ix))*
- [Single Mid-Swap Rate/Mean Mid-Swap Rate]
- (x) Relevant Screen Page: [●]
- (xi) Mid-Swap Floating Leg Maturity [●]/[Not Applicable]
- (xii) Initial Rate Final Fallback: [Applicable/Not Applicable]
- Initial Mid-Swap Rate: [●] per cent. *(Only relevant where the Reset Reference Rate is Mid-Swap Rate)*
- First Reset Period Fallback Yield: [ ] *(Only relevant where the Reset Reference Rate is not Mid-Swap Rate)*
- (xiii) Reset Period Maturity Rate Final Fallback: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraph of this paragraph)*
- Reset Period Maturity Initial Mid-Swap Rate: [●] per cent.
- (xiv) Last Observable Rate Final Fallback: [Applicable/Not Applicable]



- (xv) Subsequent Reset Rate Previous Rate Final Fallback: [Applicable/Not Applicable]
- (xvi) Subsequent Reset Rate Last Observable Rate Final Fallback: [Applicable/Not Applicable]
- (xvii) Reset Reference Rate Conversion: [Applicable/Not Applicable]
- (xviii) Original Reset Reference Rate Payment Basis: [Annual/Semi-annual/Quarterly/Monthly/Other-specify/Not Applicable]
- (xix) Day Count Fraction: [30/360]  
[Actual/Actual (ICMA)]  
[Actual/365 (Fixed)]
- (xx) Determination Dates: [[●] in each year]/[Not Applicable]
- (xxi) Business Centre(s): [●]
- (xxii) Relevant (Reset) Time: [[●]/As per Condition 4(b)/Not Applicable]
- (where Mid-Swap Rate is specified as the applicable Reset Reference Rate, Not Applicable can be selected)*
- (xxiii) Calculation Agent: [●]
- (xxiv) Benchmark Discontinuation – Independent Adviser: [Applicable/Not Applicable]
16. **Floating Rate Note Provisions:** [Applicable/Not Applicable]  
(Condition 4(c)) *(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 Principal Paying Agent): [[●] 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/CNH HIBOR]  
[SONIA (Non Index)]  
[SONIA (Index)]  
[SOFR Index]

Relevant Time: [[●] in the Relevant Financial Centre]/As per Condition 4(c)(ii)

[Relevant Financial Centre:  
[London/Brussels/Stockholm/Oslo/Copenhagen/  
Tokyo/Hong Kong]](delete for SOFR Index  
Floating Rate Notes)

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]  
[Second Hong Kong business day prior to the start 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, the first day of each interest period if HIBOR and the second Hong Kong business day prior to the start of each Interest Period if CNH HIBOR)*

[As per Condition 4(c)(ii)(B)(IV)] (SOFR Index Floating Rate Notes only)

- 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)*

[Not Applicable] (SOFR Index Floating Rate Notes only)

- Relevant Fallback Screen Page: [ ] (SONIA (Index) only)

- Observation Method: [Lag/Observation Shift/Not Applicable]

- Lag Look-back Period: [[ ] London Banking Days]/Not Applicable]

- Observation Shift Period: [[ ] London Banking Days/Not Applicable]

- SONIA Compounded Index Observation Shift Period: [5/[ ] London Banking Days]/[Not Applicable]

- p: [As per Conditions][Not Applicable][ ] (SOFR Index Floating Rate Notes only)

(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 Accrual 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]  
Independent Adviser:
  - (xiv) Benchmark Discontinuation – [Applicable/Not Applicable]  
ARRC SOFR:
17. **Zero Coupon Note Provisions:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Accrual Yield: [●] per cent per annum
  - (ii) Reference Price: [●]
  - (iii) Day Count Fraction in relation to [30/360]  
Early Redemption Amounts: [Actual/360]  
[Actual/365]

## PROVISIONS RELATING TO REDEMPTION

18. **Issuer Call:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
  - (ii) Optional Redemption [●] per Calculation Amount  
Amount(s):
  - (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 Issuer 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 Issuer and the Principal Paying Agent or Trustee)*

19. **Final Redemption Amount:**  per Calculation Amount

20. **Early Redemption Amount:**

Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default:  per Calculation Amount

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

21. **Form of Notes:**

(i) Form:

**[Bearer Notes:**

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Bearer Notes [on 45 days' notice given at any time/only upon an Exchange Event]<sup>10</sup>

[Temporary Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date]]<sup>11</sup>

**[Registered Notes:**

Unrestricted Registered Global Note ([currency and amount] nominal amount)/Restricted Registered Global Note ([currency and amount] nominal amount)]

(ii) New Global Note:

[Yes/No]

22. **Financial Centre(s):**

/[Not Applicable]

*(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 items 14(viii), 15(xxi) and 16(iii) relate)*

23. **Talons for future Coupons to be attached to Definitive Notes:** [Yes/No]

24. **Renminbi Currency Events:** [Applicable/Not Applicable]

Calculation Agent:

/[Not Applicable]

<sup>10</sup> The exchange upon notice/at any time option should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: [€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].

<sup>11</sup> This option must not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: [€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].

25. Third Party Information:

[[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]/[Not Applicable]

Signed on behalf of the Issuer:

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 Notes to be admitted to trading on the Euronext Dublin Regulated Market with effect from, or from about, [●]
- (iii) Estimate of total expenses [●] related to admission to trading:

### 2. BENCHMARKS REGULATION *(Floating Rate Notes and Reset Notes calculated by reference to a benchmark only)*

[Amounts payable under the Notes will be calculated by reference to [LIBOR/EURIBOR/STIBOR/NIBOR/CIBOR/TIBOR/HIBOR/CNH HIBOR/[*in the case of Reset Notes, insert name of relevant benchmark*]] 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 Issuer is aware, [LIBOR/EURIBOR/STIBOR/NIBOR/CIBOR/TIBOR/HIBOR/CNH HIBOR/[*in the case of Reset Notes, insert name of relevant benchmark*]] [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 Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*].]

[[*Insert the legal name of the relevant credit rating agency entity*] is established in the [EEA] and is registered under Regulation (EC) No. 1060/2009 (as amended).]

[[*Insert the legal name of the relevant credit rating agency entity*] is not established in the [EEA] and is not registered under Regulation (EC) No. 1060/2009 (as amended).]

[*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*]

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

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

#### 5. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

(i) Reason for the offer: [Green Bonds][General Business Purposes][●]

*(See "Use and Estimated Net Amounts of Proceeds" wording in the Base Prospectus – if reasons for the offer are different from General Business Purposes or Green Bonds, will need to include those reasons here.)*

(ii) Estimated net proceeds: [●]

#### 6. [Fixed Rate Notes and Reset Notes 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.]

#### 7. OPERATIONAL INFORMATION

(i) ISIN Code: [●]

(ii) Common Code: [●]

(iii) Cusip: [●]

(iv) CINS: [●]

(v) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. (together with the address of each 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 [●]/[None]



additional Transfer Agents  
and/or Paying Agent(s) (if any):

- (viii) Intended to be held in a manner which would allow Eurosystem eligibility:
- [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and 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 Notes which are to be held under the NSS]* and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

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

## 8. 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 name(s)*]
- (v) If non-syndicated, name of Dealer: [Not Applicable/*give name*]
- (vi) Whether TEFRA D rules are applicable or TEFRA rules are [TEFRA D/TEFRA not applicable]

not applicable:

(vii) Prohibition of Sales to EEA Retail Investors: [Not Applicable] *(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified.)*

[Applicable] *(If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*

(viii) Prohibition of Sales to UK Retail Investors [Not Applicable] *(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified.)*

[Applicable] *(If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*

## 8 Form of Pricing Supplement

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes issued under the Programme.

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes 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 European Economic Area ("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 (EU) 2016/97, 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 Regulation (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 Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes 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 United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK 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 Notes has led to the conclusion that: (i) the target market for the Notes 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 Notes 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 Notes (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 Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**[UK MIFIR 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 Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the Notes 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 Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (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 target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in [MiFID II/Directive 2014/65/EU (as amended) ("MiFID II")]; *EITHER* [(ii) all channels for distribution of the Notes 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 Notes 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]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (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 Notes (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].]

**[UK MIFIR product governance / Retail investors, professional investors and eligible counterparties target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is retail clients, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"), and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR"); *EITHER* [and (ii) all channels for distribution of the Notes 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 Notes to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][ non-advised sales ][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (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 COBS, as applicable].]

**[Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (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 Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes 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.)<sup>12</sup>

**NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 (THE "PROSPECTUS REGULATION") OR REGULATION (EU) 2017/1129 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE "UK PROSPECTUS REGULATION") FOR THE ISSUE OF NOTES DESCRIBED BELOW.**

[Date]

**SWEDBANK AB (publ)**

**Legal Entity Identifier (LEI): M312WZV08Y7LYUC71685**

Issue of

*[Aggregate Nominal Amount of Tranche] [Title of Notes]*

under the

**U.S.\$40,000,000,000 Global Medium Term Note Programme**

**PART A - CONTRACTUAL TERMS**

[Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to either of Article 3 of the Prospectus Regulation or section 85 of the FSMA or to supplement a prospectus pursuant to either Article 23 of the Prospectus Regulation or Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer.]<sup>13</sup>

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Base Prospectus dated 10 May 2021 (the "Base Prospectus") [as supplemented by the supplement[s] dated [ ] [and [ ]]]. Full information on Swedbank AB (publ) (the "Issuer") and the offer of the Notes 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 Irish Stock Exchange plc trading as Euronext Dublin at <https://www.euronext.com/en/markets/dublin>.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") set forth in the [Base Prospectus]/[[Base Prospectus/Information Memorandum] dated [original date] which are incorporated by reference in the Base Prospectus].

*[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 sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.]*

*[If the Notes 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.]*

<sup>12</sup> Legend to be included on front of the Pricing Supplement if the Issuer has re-classified the Notes 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 Notes are to be offered in Singapore. Relevant Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

<sup>13</sup> Do not include if the "Prohibition of Sales to EEA and UK Retail Investors" legend is included (because the Notes potentially constitute "packaged" products and no key information document will be prepared) and the related selling restriction is specified to be "Applicable".

1. **Issuer:** Swedbank AB (publ)
2. (i) **Series Number:** [●]
- (ii) **Tranche Number:** [●]
- (iii) **Date on which the Notes will be consolidated and form a single Series:** [The Notes will be consolidated and form a single Series with [●] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 21 below, which is expected to occur on or about [●]]] [Not Applicable]
3. **Specified Currency or Currencies:** [●]<sup>14</sup>
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 Notes in definitive form will be issued with a denomination above [€199,000] ")<sup>15</sup>
- (ii) **Calculation Amount:**<sup>16</sup> [●]  
(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]

<sup>14</sup> Use the abbreviation "CNY" for RMB Notes.

<sup>15</sup> Not applicable if Notes being issued are in registered form.

<sup>16</sup> For Renminbi denominated Fixed Rate Notes where the Interest Payment Date is subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01 (CNY0.005 being rounded upwards)."

8. **Maturity Date:** [Specify date or (for Floating Rate Notes and RMB Notes) Interest Payment Date falling in or nearest to the relevant month and year]
9. **Interest Basis:** [[●] per cent Fixed Rate]  
 [Reset Notes]  
 [[specify reference rate]+/- [●] per cent Floating Rate]  
 [SONIA (Non Index) +/- [●] per cent Floating Rate]  
 [SONIA (Index) +/- [●] per cent Floating Rate]  
 [SOFR Index +/- [●] per cent Floating Rate]  
 [Zero Coupon]  
 [specify other]
10. **Redemption/Payment Basis:** [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent of their nominal amount]/[specify other]
11. **Change of Interest Basis or Redemption/ Payment Basis:** [[●]/Not Applicable]
12. **Call Option:** [Issuer Call] [Not Applicable]  
 [(see paragraph 18 below)]
13. (i) **Status of the Notes:** [Senior Preferred - Condition 3(a) will apply / Senior Non-Preferred - Condition 3(b) will apply / Subordinated - Condition 3(c) will apply]
- (a) [Redemption upon occurrence of a MREL Disqualification Event and amounts payable on redemption thereof: [Applicable – Condition 5(i) will apply/Not Applicable]  
*(If not applicable, delete the remaining subparagraph of this paragraph)*  
 [If the Issuer elects to redeem the Notes following the occurrence of a MREL Disqualification Event pursuant to Condition 5(i), the Notes shall be redeemed in the amount of [●] per Calculation Amount/specify other/see Appendix]  
*(N.B. Only relevant for Senior Preferred Notes and Senior Non-Preferred Notes)]*
- (b) [Redemption upon occurrence of Capital Event and amounts payable on redemption thereof: [Applicable – Condition 5(h) will apply/Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*  
 [If the Issuer elects to redeem the Notes following the occurrence of a Capital Event pursuant to Condition 5(h), the Notes shall be redeemed in the

amount of [●] per Calculation Amount/specify other/see Appendix]

Partial Capital Exclusion: [Applicable / Not Applicable]

(N.B. Only relevant for Subordinated Notes)]

- (c) [Redemption for taxation reasons: Condition 5(b) will apply  
Tax Event Call [Applicable - Condition 5(b)(A)(ii) will apply/Not Applicable]]
- (d) Substitution or variation: [Applicable – Condition 5(k) will apply/Not Applicable]
- [(ii)] **Date Board approval for issuance of Notes obtained:** [●]  
(N.B. Only relevant where Board (or similar) authorisation is required for the particular Tranche of Notes)

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Note Provisions:** [Applicable/Not Applicable]  
(Condition 4(a)) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest: [●] per cent per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [●] [and [●]] in each year<sup>17</sup>, 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]<sup>18</sup>/[Not Applicable]  
(Applicable to Notes in definitive form)
- (iv) Broken Amount(s): [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]]/[Not Applicable]  
(Applicable to Notes in definitive form)
- (v) Day Count Fraction: [30/360]  
[Actual/Actual (ICMA)]  
[Actual/365 (Fixed)]

<sup>17</sup> Note that for certain Renminbi denominated Fixed Rate Notes the Interest Payment Date is subject to modification and the following words should be added: "provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day."

<sup>18</sup> For Renminbi denominated Fixed Rate Notes where the Interest Payment Date is subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01 (CNY0.005 being rounded upwards)."



- [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) Interest Payment Date Adjustment:  [Applicable/Not Applicable]  
*(Applicable to RMB Notes only)*
- (viii) Business Centre(s):  [●]/[Not Applicable]  
*(Applicable to RMB Notes only)*
- (ix) Other terms relating to the method of calculating interest for Fixed Rate Notes:  [None/give details]
15. **Reset Note Provisions**  [Applicable/Not Applicable]  
*(Condition 4(b)) (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Initial Rate of Interest:  [●] per cent per annum payable in arrear on each Interest Payment Date
- (ii) Initial Mid-Swap Rate:  [●] per cent/[Not Applicable]
- (iii) First Margin:  [+/-][●] per cent per annum
- (iv) Subsequent Margin:  [[+/-][●] per cent per annum]/[Not Applicable]
- (v) Interest Payment Date(s):  [●] [and [●]] in each year, from and including [●], up to and including the Maturity Date
- (vi) First Reset Date:  [●]
- (vii) Second Reset Date:  [●]/[Not Applicable]
- (viii) Subsequent Reset Date(s):  [●] [and [●]]/[Not Applicable]
- (ix) Reset Reference Rate:  [Mid-Swap Rate/Reference Bond/CMT Rate]  
  
*(If Reference Bond is specified as the applicable Reset Reference Rate, delete the remainder of this paragraph 15(ix))*  
  
 [Single Mid-Swap Rate/Mean Mid-Swap Rate]
- (x) Relevant Screen Page:  [●]

- (xi) Mid-Swap Floating Leg Maturity /[Not Applicable]
- (xii) Initial Rate Final Fallback:  [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraph of this paragraph)*
- Initial Mid-Swap Rate:  per cent. *(Only relevant where the Reset Reference Rate is Mid-Swap Rate)*
- First Reset Period Fallback Yield:  *(Only relevant where the Reset Reference Rate is not Mid-Swap Rate)*
- (xiii) Reset Period Maturity Rate Final Fallback:  [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraph of this paragraph)*
- Reset Period Maturity Initial Mid-Swap Rate:  per cent.
- (xiv) Last Observable Rate Final Fallback:  [Applicable/Not Applicable]
- (xv) Subsequent Reset Rate Previous Rate Final Fallback:  [Applicable/Not Applicable]
- (xvi) Subsequent Reset Rate Last Observable Rate Final Fallback:  [Applicable/Not Applicable]
- (xvii) Reset Reference Rate Conversion:  [Applicable/Not Applicable]
- (xviii) Original Reset Reference Rate Payment Basis:  [Annual/Semi-annual/Quarterly/Monthly/Not Applicable]
- (xix) Day Count Fraction:  [30/360]  
 [Actual/Actual (ICMA)]  
 [Actual/365 (Fixed)]  
 [specify other]
- (xx) Determination Dates:  [[] in each year]/[Not Applicable]
- (xxi) Business Centre(s):  []
- (xxii) Relevant (Reset) Time:  [[]/As per Condition 4(b)/Not Applicable]  
*(where Mid-Swap Rate is specified as the applicable Reset Reference Rate, Not Applicable can be selected)*
- (xxiii) Calculation Agent:  []

- (xxiv) Other terms relating to the method of calculating interest for Reset Notes: [None/give details]
- (xxv) Benchmark Discontinuation – Independent Adviser: [Applicable/Not Applicable]
16. **Floating Rate Note Provisions:** [Applicable/Not Applicable]  
(Condition 4(c)) *(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 Principal Paying Agent): [[●] 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/CNH HIBOR/specify other]  
[SONIA (Non Index)]  
[SONIA (Index)]  
[SOFR Index]  
Relevant Time: [[●] in the Relevant Financial Centre]/As per Condition 4(c)(ii)  
Relevant Financial Centre: [London/Brussels/Stockholm/Oslo/Copenhagen/Tokyo/Hong Kong/specify other](delete for SOFR Index Floating Rate Notes)  
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]  
 [Second Hong Kong business day prior to the start 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 and 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, the first day of each interest period if HIBOR and the second Hong Kong business day prior to the start of each Interest Period if CNH HIBOR)*

[As per Condition 4(c)(ii)(B)(IV)] (SOFR Index Floating Rate Notes only)

- 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)*
- [Not Applicable] (SOFR Index Floating Rate Notes only)
- Relevant Fallback [●] (SONIA (Index) only)  
Screen Page:
- Observation Method: [Lag/Observation Shift/Not Applicable]
- Lag Look-back Period: [[●] London Banking Days]/Not Applicable]
- Observation Shift [●] London Banking Days/Not Applicable]  
Period:

- SONIA Compounded Index Observation Shift Period: [5/[●] London Banking Days]/[Not Applicable]
  - p: [As per Conditions][Not Applicable][●] (SOFR Index Floating Rate Notes only)
- (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 Notes, if different from those set out in the Conditions: [●]

- (xiv) Benchmark Discontinuation – [Applicable/Not Applicable]  
Independent Adviser:
- (xv) Benchmark Discontinuation – [Applicable/Not Applicable]  
ARRC SOFR:
- 17. **Zero Coupon Note Provisions:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
  - (i) Accrual Yield: [●] per cent per annum
  - (ii) Reference Price: [●]
  - (iii) Any other formula/basis of determining amount payable: [●]
  - (iv) Day Count Fraction in relation to Early Redemption Amounts: [30/360]  
[Actual/360]  
[Actual/365]  
[specify other]

#### PROVISIONS RELATING TO REDEMPTION

- 18. **Issuer Call:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
  - (i) Optional Redemption Date(s): [●]
  - (ii) Optional Redemption Amount(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 Issuer 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 Issuer and the Principal Paying Agent or Trustee)*
- 19. **Final Redemption Amount:** [[●] per Calculation Amount/specify other/see Appendix]

20. **Early Redemption Amount:**

Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default or other early redemption and/or the method of calculating the same (if required or if different from that set out in Condition 5(d)):  per Calculation Amount/*specify other/see Appendix*

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

21. **Form of Notes:**

(i) Form:

**[Bearer Notes:**

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Bearer Notes [on 45 days' notice given at any time/only upon an Exchange Event]<sup>19</sup>

[Temporary Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date]<sup>20</sup>

[Swiss Global Note]]

**[Registered Notes:**

Unrestricted Registered Global Note (*[currency and amount]* nominal amount)/Restricted Registered Global Note (*[currency and amount]* nominal amount)]

(ii) New Global Note:

[Yes/No]

22. Financial Centre(s) or other special provisions relating to Payment Days:

/[Not Applicable]  
*(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 items 14(viii), 15(xxi) and 16(iii) relate)*

23. Talons for future Coupons to be attached to Definitive Notes:

[Yes/No]

24. Renminbi Currency Events:

[Applicable/Not Applicable]

Calculation Agent:

/[Not Applicable]

<sup>19</sup> The exchange upon notice at any time option should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: [€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].

<sup>20</sup> This option must not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: [€100,000] and integral multiples of €1,000] in excess thereof up to and including [€199,000].

25. Other final terms: [Not Applicable/give details]

26. Third Party Information:

[[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]/[Not Applicable]

**[RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in this Pricing Supplement.] (*Insert for Swiss Domestic Notes only*)

Signed on behalf of the Issuer:

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 Notes to be admitted to trading on [●] with effect from, or from about, [●]]/Not Applicable]

*[For Notes listed on the SIX Swiss Exchange Ltd:*

Application has been made for the Notes to be admitted to trading on the standard for bonds of the SIX Swiss Exchange Ltd with effect from [●].

The last trading date will be the second business day prior to the Maturity Date.

Application for definitive listing on the standard for bonds of the SIX Swiss Exchange Ltd will be made as soon as practicable and, if granted, will only be granted after the Issue Date.

#### *Representation*

In accordance with Article 43 and 58a of the Listing Rules of the SIX Swiss Exchange Ltd, [●] has been appointed by the Issuer as representative to lodge the listing application with the Admission Board of the SIX Swiss Exchange Ltd.

#### *Documents Available*

Copies of this Pricing Supplement and the Base Prospectus are available at [●].]

- (iii) Estimate of total expenses related to admission to trading: [●]

### 2. RATINGS

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

### 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 Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [managers/dealers] and their affiliates have engaged, and may in the future engage, in

investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

#### 4. OPERATIONAL INFORMATION

- (i) ISIN Code: [●]
- (ii) Common Code: [●]
- (iii) Cusip: [●]
- (iv) CINS: [●]
- (v) Swiss Security Number: [●]
- (vi) Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A. and SIX SIS Ltd (together with the address of each such clearing system) and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (vii) Settlement procedures: [*Specify whether customary medium term note/eurobond/Swiss market/other settlement and payment procedures apply*]
- (viii) Delivery: Delivery [against/free of] payment
- (ix) Names and addresses of additional Transfer Agents and/or Paying Agent(s) (including, in the case of Swiss Domestic Notes, the Principal Swiss Paying Agent and any other Swiss Paying Agents) (if any): [●]
- (x) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and 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 Notes which are to be held under the NSS*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

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

## 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 name(s)*]
- (v) If non-syndicated, name of Dealer: [Not Applicable/*give name*]
- (vi) Whether TEFRA D rules are applicable or TEFRA rules are not applicable: [TEFRA D [in accordance with usual Swiss practice (the Notes shall be issued pursuant to the exemptions from the certification requirements under the TEFRA rules)]/TEFRA not applicable]
- (vii) Additional selling restrictions: [Not Applicable/*give details*]
- (viii) Prohibition of Sales to EEA Retail Investors: [Not Applicable] (*If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified.*)  
  
[Applicable] (*If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*)
- (ix) Prohibition of Sales to UK Retail Investors: [Not Applicable] (*If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified.*)

[Applicable] *(If the Notes 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:

[Green Bonds][General Business Purposes][●]

*(See "Use and Estimated Net Amounts of Proceeds" wording in the Base Prospectus – if reasons for the offer are different from General Business Purposes or Green Bonds, will need to include those reasons here.)*

**7. [Swiss Domestic Notes only - ADDITIONAL INFORMATION**

- (i) Authorisation: Pursuant to the Programme and the Subscription Agreement dated [●] between the Issuer and [●], the Issuer has decided to issue [●].
- (ii) Use of Net Proceeds: The net proceeds of the issue of the Notes in the amount of CHF[●] will be used by the Issuer for its general business purposes.
- (iii) No Material Change: There has been no material change in the Issuer's assets and liabilities, financial position and profit and loss since [*insert date of most recent financial statements*].
- (iv) Taxation in Switzerland: [●]

## 9 Swedbank

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### 9.1 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.

As of 31 December 2020, the Group served a total of 7.3 million private customers and 548,000 corporate customers and organisations through approximately 430 branches in 10 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. During 2020, 9 branches were closed in Sweden, mainly due to changing customer behaviour where customers chose to interact with the Group digitally instead of visiting branch offices.

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 2020 derived from its Swedish banking services. As of 31 December 2020, the Group's loans to the public, excluding the SNDO and repurchase agreements, amounted to SEK 1,616 billion. The Group recorded SEK 21,116 million in profit before impairments for the year ended 31 December 2020 and SEK 25,976 million in profit before impairments for the year ended 31 December 2019. Credit impairments for the year ended 31 December 2020 amounted to SEK 4,334 million. Net profit attributable to the shareholders of Swedbank for the year ended 31 December 2020 amounted to SEK 12,929 million and SEK 19,697 million for the year ended 31 December 2019. As of 31 December 2020, the Group had 16,213 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.

## 9.2 Shareholders

Largest shareholders as of 31 March 2021

<u>% of capital and votes</u>	<u>2021</u>
Sparbanksgruppen	11.15
Folksam	7.07
Norges Bank	4.66
Alecta Pension Insurance	4.56
AMF Pension & Funds	4.31
Blackrock	3.88
Swedbank Robur Funds	3.79
Sparbanksstiftelser – excl. Sparbanksgruppen	3.50
Vanguard	2.32
T. Rowe Price	1.92
10 largest shareholders	47.14
Number of shareholders	358,410

## 9.3 Strategy

Swedbank's strategy is to be a full-service bank with product offerings based on customer needs, high cost-efficiency and a low risk profile, aiming to create stability and predictability for our shareholders. Swedbank updated its strategic direction in 2020 and placed sustainability at the core of its business strategy. As a result of this updated business strategy, Swedbank has decided not to grant new financing in connection with the prospecting of new oil and gas fields or the unconventional extraction of fossil fuels.

### 9.3.1 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 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.

### 9.3.2 Offerings Based on Customers' 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.

### 9.3.3 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 credit 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.

#### **9.3.4 High Cost Efficiency**

To remain competitive in the long-term, Swedbank is committed to improvements in cost efficiency and optimizing internal processes, which in turn create opportunities for the Group to invest in its products and channels and offer competitive prices to its customers. Specifically, Swedbank's focus is to use technology and automation to reduce complexity, standardise products and offerings and increase efficiency in processes and the ways Swedbank works, with the ultimate goal of realising additional value from its investments and resources.

### **9.4 Business Segments**

The Group is comprised of four business segments.

#### **9.4.1 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 159 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 190 additional branches, as of 31 December 2020. 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).

Mikael Björknert was appointed Head of Swedish Banking in 2019. Swedbank made major organisational changes to create simpler and clearer decision-making structures and facilitate the realisation of the bank's strategy. As part of this change, most of the Customer Value Management unit, which among other things supports the Group with customer data analysis as a basis for designing offers, became part of the Swedish Banking business area as of January 2020.

#### **9.4.2 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 82 branches as of 31 December 2020 as well as through telephone and internet banking.

The Group holds leading positions in several key market segments in its Baltic home markets.<sup>21</sup> Jon Lidfelt was appointed the acting head of Baltic Banking after the departure of Charlotte Elsnitz in 2019 and took office as the new head of Baltic Banking on 9 July 2020.

#### **9.4.3 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,

Denmark, China, the United States and South Africa. Loans to the public in LC&I represented 14 per cent of the Group's total loans to the public outstanding as of 31 December 2020.

In 2020, Ola Laurin stepped down as the head of LC&I with Björn Meltzer as the new acting head, effective 15 January 2021.

#### **9.4.4 Group Functions & Other**

Group Functions & Other consists of centralised business support units and the client advisory unit Group Financial Products & Advice. The central units serve as strategic and administrative support and comprise Accounting & Finance, Communication, Risk, Digital Banking & IT, Compliance, Public Affairs, Human Resources and Legal. Group Treasury is responsible for Swedbank's funding, liquidity and capital planning. In addition, Group Treasury sets the prices on all internal deposit and loan flows in the Group through internal interest rates, where the most important parameters are maturity, interest fixing period, currency and need for liquidity reserves.

### **9.5 Products and Services**

#### **9.5.1 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 responsible for originating other loans including uncollateralised loans. The volume-weighted average LTV ratio in Swedbank Mortgage's private residential loan portfolio was 54 per cent as of 31 December 2020, 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 on 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.



### **9.5.2 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.

### **9.5.3 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.

### **9.5.4 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.

### **9.5.5 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.

### **9.5.6 Payment Services**

The Group offers a broad range of payment products, including debit, transaction services and card infrastructure. 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. To meet the increased competition and the shift in customer preferences from brick-and-mortar to e-commerce, the Group has developed a new full-service offer, Swedbank Pay, which brings together products and services from Swedbank and PayEx under a single brand in the Nordic market. Through Swedbank Pay, the Group helps companies both large and small to conveniently accept payment from their customers, through credit cards, e-commerce or in stores.

## **9.6 Legal Proceedings**

In February 2019, the television program "Uppdrag granskning," broadcast by the Swedish public broadcaster Sveriges Television, alleged that customers who may have been involved in money laundering transferred significant sums of money through the Group's Baltic subsidiaries. Authorities in Sweden, the Baltics and the United States have been, and are to some extent currently, conducting investigations regarding the Group's historical compliance with applicable anti-money laundering and sanctions laws and regulations.

The SFSA and the EFSA conducted separate but close investigations into money laundering allegations at the Group, as well as related issues involving the Group's anti-money laundering controls, procedures and governance.

#### **9.6.1 SFSA Investigation**

The SFSA investigation into Swedbank AB's governance of anti-money laundering measures in the Baltic operations launched in April 2019 and included the period 2015 to the first quarter of 2019. The SFSA investigation into Swedbank AB's compliance with Swedish legislation regarding anti money laundering and terrorism financing was initiated in November 2018 and covered the period April to November 2018, focusing on business risk assessment, risk classification of customers, policies and instructions, know-your-customer files, transaction monitoring and reporting of suspicious activities to external investigative bodies. The investigation was limited to traditional high risk customer categories such as politically exposed persons and private-banking customers. The Group replied to the SFSA's requests for comment on preliminary observations and conclusions, concurring with many of their observations and conclusions. On 19 March 2020, the SFSA announced that in relation to Swedbank's Swedish operations, Swedbank has deficiencies in its risk classification of customers and its transaction monitoring and concluded that Swedbank has not met the anti-money laundering requirements in its Swedish operations. The SFSA also announced that Swedbank had large deficiencies in its governance of the risk of money laundering in its Baltic operations, finding its processes, routines and control systems insufficient; and noted that the Baltic subsidiaries lacked adequate resources to combat money laundering. The SFSA stated that despite internal and external reports warning about deficiencies in the Baltic operations and the risk of money laundering, Swedbank did not take proper and sufficient action. In addition, the SFSA noted that in their opinion, in some instances, Swedbank withheld documentation and information and in one case, in March 2019, Swedbank provided the SFSA with false information. As a result of the investigation, the SFSA issued Swedbank a warning and an administrative fine of SEK 4 billion. Swedbank announced that it accepted the decision of the SFSA and paid the fine in 2020.

#### **9.6.2 EFSA Investigation**

The EFSA's investigation was conducted from April to mid-November 2019 and assessed the set-up of the anti-money laundering organisation of Swedbank's Estonian subsidiary, the activities of management and staff in combatting money laundering and terrorist financing, the identification, analysis, management and mitigation of risks and the application of due diligence measures during the establishment of business relationships and the provision of services. The Group replied to the EFSA's requests for comment on preliminary observations and conclusions, concurring with many of their observations and conclusions. On 19 March 2020, the EFSA announced that the Estonian subsidiary had severe deficiencies in its anti-money laundering risk control systems and that the bank failed to meet anti-money laundering requirements, noting examples of where the subsidiary withheld information during the investigation. The EFSA issued a precept that obliges Swedbank's Estonian subsidiary to take comprehensive measures to properly understand and mitigate past and current risks. In addition, the Estonian subsidiary must review and amend its organisational framework to more effectively manage risks, change its practices in understanding client activities and must review practices for reporting suspicious transactions to the appropriate external investigative body and operational risk to EFSA. On 19 November 2020, Swedbank AS submitted a final report describing the actions taken to comply with the EFSA precept. On 28 January 2021, EFSA informed Swedbank AS that it considered activities and evidence delivered under the final report adequate and did not require additional remarks. EFSA will follow up on implementation activities as part of regular supervisory inspections.

The Estonian state prosecutor's office launched a parallel criminal investigation into the Estonian subsidiary to determine whether money laundering or other criminal acts occurred but has not disclosed a timeframe as to when it expects to announce a decision. As in many other countries, double jeopardy is not permitted in Estonia, and therefore the EFSA terminated its own misdemeanour investigation into the Estonian subsidiary in November 2019 to allow the prosecutor to continue with its criminal investigation. If the Estonian Prosecutor's Office finds evidence of money laundering or other criminal acts, it could charge current or former individuals or Swedbank's Estonian subsidiary with criminal liability, which could include imprisonment for convicted individuals or a fine of up to EUR 16 million per conviction. Swedbank does not have any information as to whether the Estonian subsidiary will be treated as a suspect in this case.

### **9.6.3 Other investigations**

In March 2019, the Swedish Economic Crime Authority ("EBM") also launched an investigation into whether any crimes were committed in connection with the disclosure of information. The Group does not know when the EBM's investigation will be completed.

The European Central Bank ("ECB") also initiated an investigation of the Group's operation in the Baltic countries. The ECB completed their investigation and the Group is implementing a number of remedies regarding governance, including control of subsidiaries.

In addition to the investigations regarding anti-money laundering controls, U.S. authorities are also investigating whether any crimes or fraud were committed in connection with Swedbank's disclosure of information regarding anti-money laundering issues. The Group does not currently know when the investigations may be concluded, or whether any sanctions or penalties may be imposed.

Based on findings as a result of the Clifford Chance LLP investigation, discussed below, the Group notified OFAC on 11 March 2020 of 586 (which figure was corrected to 540 in December 2020) transactions amounting to approximately USD 4.8 million (which figure was corrected to 4.5 million in December 2020) which constitute potential OFAC violations. 95 per cent of the transactions were processed by the Group in the 2015 – 2016 period. Of the 586 transactions, 508 transactions constitute salary payments and payments associated with the operation of a vessel whose owner and operator are located in Crimea and used Swedbank in the Baltics. The Clifford Chance investigation included all USD denominated transactions from the three Baltic subsidiaries in Estonia, Latvia and Lithuania, processed through the U.S. financial system during the period 22 March 2014 through 22 March 2019.

On 18 September 2020, Swedbank received notification from the SFSA that it was investigating Swedbank for suspected historical breaches of MAR. The investigation encompasses the period from 20 September 2018 to 20 February 2019 and pertains to disclosure of inside information and the obligation to establish an insider list (Articles 17 and 18) in connection with the disclosure of suspected money laundering within the bank.

In March 2021, the Nasdaq Stockholm AB (Nasdaq) informed Swedbank of the conclusions of its investigation as to whether Swedbank had violated the Nasdaq's rules during the period from December 2016 to February 2019. According to Nasdaq, Swedbank breached the Market Abuse Regulation as relates to the publication of information related to Swedbank's historical shortcomings tied to money laundering and did not fully satisfy the Nasdaq's disclosure requirements. Later, the Nasdaq announced that it had forwarded the case to the disciplinary committee at Nasdaq Stockholm. In its quarterly report released on 27 April 2021, Swedbank stated that it largely concurs with Nasdaq's view and allocated 7.5 annual fees (SEK 30m) for

the expected fine. On 5 May 2021, the disciplinary committee ordered Swedbank to pay a fine of 12 annual fees, equivalent to SEK 46.6 million.

#### **9.6.4 *Clifford Chance Investigation***

In February 2019, the Group hired an external law firm, Clifford Chance LLP, to lead an internal investigation to confirm facts and circumstances linked to historical shortcomings in Swedbank's anti-money laundering systems and controls from January 2007 through March 2019. The investigation included, among other things, a review of Swedbank and its global network of branches, as well as relevant wholly-owned subsidiaries. The investigation also covered customers, transactions and how the Group handled internal and external information disclosures. In total, over 30 billion transactions made between 2007 and March 2019 were included in the investigation, of which 15 billion were from Baltic Banking. The investigation also included an assessment of potential non-compliance by the Baltic subsidiaries or their customers with OFAC sanctions.

The investigation was presented to the Board and parts of the Group's management on 21 March 2020 and released to the public on 23 March 2020. The broad investigation included billions of transaction records, approximately 160 million customer records and over 38 terabytes of electronic and scanned hard copy data. Clifford Chance also conducted nearly 100 interviews of 81 individuals, including current and former employees, managers and senior executives, current and former Board members and external counsel. Steps were taken to ensure compliance with applicable privacy, bank secrecy, employment and other relevant legal regimes.

The investigation also included an assessment of potential sanctions breaches in the Baltic subsidiaries, including approximately 26.6 million transaction messages and 1.8 million USD-denominated payments during a five-year period from 22 March 2014 through 22 March 2019. Of these transactions, the investigation identified 582 transactions (totalling approximately USD 4.76 million), processed by the Baltic subsidiaries that may not have complied with OFAC blocking sanctions or country embargos. None of the 582 transactions involved any OFAC-listed persons, and nearly all of them occurred prior to 2017, when the Baltic subsidiaries implemented an automated payment screening solution.

#### **Governance**

The investigation did not conclude that Swedbank engaged in money laundering or processed customer transactions that constituted the proceeds of crime. Among other things, this would require definitive knowledge of a customer's source of funds, which was not available. However, the investigation revealed that the Group, throughout the period from January 2007 to March 2019, and to varying degrees across LC&I, Swedish Banking and Baltic Banking had inadequate systems and controls to ensure proper management of anti-money laundering and economic sanctions risks from its customer base, thus exposing Swedbank and the Baltic subsidiaries to significant anti-money laundering and sanctions risk. The risk was most prevalent in the Baltic subsidiaries, primarily in Estonia from its HRNR business. From before 2007 until 2016, Swedbank's subsidiaries in Estonia and Latvia actively pursued high risk customers as a business strategy. For example, despite a special committee in the Estonian subsidiary to review customer on-boarding and maintenance of HRNR customers, the committee approved high risk customers without having complete documentation regarding the ultimate beneficial owners, proof of funding sources or explanation of legitimate business purposes and did not address red flags that arose from the information provided. Some corporate customers had complex and opaque ownership structures involving off-shore entities organized in low tax jurisdictions, as well as ownership through foreign trusts and similar vehicles for which the ultimate beneficial owners were difficult to verify. The Estonian subsidiary

also accepted certain customers despite awareness amongst employees, including relationship managers, that the listed beneficial owners were not the actual ultimate beneficial owners, or where the prospective customer refused to provide verifiable beneficial ownership information. In addition, the deficiencies in the Group's anti-money laundering systems and controls were not limited to the Baltic Banking, as certain of these high-risk customers in Baltic Banking were allowed to open accounts in the Group's other business areas in Sweden, Swedish Banking and LC&I. These customers have since been offboarded. Overall, the investigation showed that during the period 2014 to 2019, the Baltic subsidiaries conducted transactions (approximately EUR 17.8 billion in payments to customer accounts; approximately EUR 18.9 billion in payments from customer accounts) that represented a high risk for money laundering.

### Accountability

Although Swedbank has attempted to enhance its compliance control and risk management systems in the Baltic subsidiaries since 2016, the investigation found that these efforts were impeded by a number of governance failings. For example, Swedbank's senior management historically failed to establish clear lines of anti-money laundering responsibilities, particularly as between the business (first line of defence) and the Group's compliance function (second line of defence), or to ensure that the Group's compliance function could successfully challenge the decisions of the business. In addition, Swedbank's former CEOs appeared to lack adequate appreciation for the severe risk posed to the Group by the HRNR business in Baltic Banking. In particular, Swedbank failed to adopt a Group-level anti-money laundering risk appetite statement until 2017 and did not take steps to ensure a consistent approach to risk rating customers across business lines. In addition, the investigation found that because Swedbank's senior management failed to appreciate the degree of legal and reputational risk to Swedbank, management did not always engage with the Board in a manner consistent with the importance of these issues. The investigation did not find evidence that either the Board, Risk and Capital Committee or the Audit Committee were adequately informed of the degree of legal and reputational risk posed by these deficiencies arising from the high-risk customer base that the Baltic subsidiaries had serviced historically. Nevertheless, several Group internal audit reports (from 2015 through early 2017) to the Board and the Audit Committee gave the Board notice of the prospect of regulatory sanctions or elevated reputation risk arising from identified deficiencies in the Baltic subsidiaries with respect to weak sanctions screening data, insufficient KYC processes and transaction monitoring and defects in the payments screening process. Notwithstanding these warnings, the Board did not take action to manage anti-money laundering risk in the Baltics commensurate with the degree of legal and reputational risk presented. The investigation found little evidence of any substantive discussion of these issues at the respective Board or Audit Committee meetings. Therefore, while the Board was not adequately apprised by management of the full extent of the risk posed by the anti-money laundering deficiencies in the Baltics, the Board also did not act adequately to manage and control the risk of money laundering (of which it was made aware).

### Interactions with Regulators

The investigation also noted that in certain instances, Swedbank's responses to regulators regarding anti-money laundering-related topics were not always actively transparent, including de-emphasizing negative information or employing a narrow or literal reading of certain requests. In considering accountability, the investigation concluded that the three former CEOs who served during the relevant investigation period, the Board and certain employees (including senior managers to relationship managers) all contributed to Swedbank's failure to recognise and manage the significant legal and reputational risk to Swedbank posed by its HRNR portfolio in the Baltic subsidiaries.

### Public Disclosures

The investigation also considered the completeness and accuracy of Swedbank's public disclosures concerning anti-money laundering compliance and related issues. Specifically, Clifford Chance reviewed public statements made by Swedbank and its executives from January 2014 through March 2019, including for example, interim and annual reports issued by Swedbank and associated materials, other statements and presentations in communications with investors, analysts, and the financial community, corporate debt offering documents and media appearances and publications. When considered in light of the facts developed in the investigation, certain statements made during October 2018 and February 2019 by Swedbank and its executives concerning Swedbank's historical anti-money laundering compliance, then current anti-money laundering compliance, and exposure to certain types of anti-money laundering risk, were inaccurate or presented without sufficient context.

### Remediation

As part of its ongoing response to the money-laundering investigations, the Group created a new Special Task Force led by former Head of Group Treasury Tomas Hedberg, who reports directly to the CEO. Since the Clifford Chance investigation began in early 2019, the Group has taken a number of actions to remedy shortcomings and ensure a sustainable corporate governance in Swedbank.

An action plan was introduced in October 2019 to manage the identified shortcomings. As of 31 December 2020, the action plan consisted of 244 points and the majority of the activities were completed on time (with an original deadline in 2020). A few activities have been postponed to 2021 with appropriate plans in place for their implementation. The improvements made in 2020 as a result of the action plan have laid the foundation for Swedbank's ongoing commitment to international best practices and its goal of implementing effective and efficient processes to fight financial crime.<sup>22</sup>

In addition, Swedbank has, since 2019, appointed a new CEO and a mostly new management team, including a new Chief Compliance Officer ("CCO"), a new Chief Legal Officer, a new Head of Risk, a new Head of Baltic Banking, a new Head of Communication and Sustainability and a new CEO of the Estonian subsidiary. Swedbank also took other employment actions dictated largely by the historical shortcomings. Moreover, Swedbank appointed a new Board chair in 2019 and three new Board members. In 2020, five new Board members were elected resulting in the Board being comprised of mostly new members. Under this new leadership team, Swedbank has focused on transforming its approach to anti-money laundering and counter-terrorist financing and sanctions policies and procedures, creating new roles, appointing new personnel, increasing resources, revising and strengthening policies and procedures and taking steps to continue the process of de-risking its customer portfolio including in the Baltic subsidiaries. To date, Swedbank has nearly doubled the number of employees dedicated to anti-money laundering and counter-terrorist financing initiatives, and aims to have a total of nearly 1,500 such employees exclusively working to combat financial crime. Swedbank appointed two new board members at the 2021 annual general meeting resulting in the Board being comprised in total of twelve board members.

As of 23 March 2020 and as a result of external investigations conducted by the SFSA, the EFSA and the Group's internal investigation into allegations of anti-money laundering and potential sanctions breaches, the Board also decided to unilaterally cancel severance payments to the former CEO (which were originally planned to start 29 March 2020). In addition, Swedbank's Board of Directors previously appointed external legal advisors to investigate

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<sup>22</sup> On 19 November 2020, Swedbank presented its final report to the Estonian Financial Supervisory Authority describing the steps and measures taken to remedy the shortcomings identified by the authority in March 2020. On 28 January 2021 the Estonian Financial Supervisory Authority announced that it considered the measures taken to be satisfactory.

liability issues relating to the former CEOs and Board members identified in Clifford Chance LLP's March 2020 report. Based on the findings of these investigations, as well as an analysis of the legal circumstances and other relevant considerations, the likelihood of success of any claim for damages against the former CEOs and Board members was deemed to be extremely low. Therefore, on 25 February 2021, the Board of Directors decided not to file claims for damages against the former CEOs and Board members in relation to matters covered in the Clifford Chance LLP report.

In addition, during 2020, several external experts were hired to evaluate Swedbank's internal processes regarding compliance, roles, and responsibilities, AML/CTF expertise, business culture, and the Group's transactional monitoring system. In addition, a new system for external whistle blowing was launched.

As part of these ongoing de-risking and remediation efforts, and with input from Clifford Chance, Swedbank and its Baltic subsidiaries have (a) embarked on a much more comprehensive approach and remediation plan to address and to strengthen the anti-money laundering/counter-terrorist financing and sanctions frameworks; (b) undertaken a review of Swedbank's corporate governance; (c) engaged external consultants to assist in remediation efforts; (d) increased anti-money laundering/counter-terrorist financing resources; (e) initiated a compliance transformation program; (f) performed a cultural assessment and started implementation of necessary changes and (g) continued to off-board customers who do not meet Swedbank's risk appetite.

In February 2021 it was announced that the Board had decided to establish a Baltic subsidiary in the form of a holding company, which, in turn, will own the current subsidiaries in Estonia, Lithuania and Latvia. The holding company will be seated in Riga and is intended to strengthen governance and control in the Baltics.

#### Quality Assurance – Compliance Function

During 2020, the Group completed an evaluation of the Group's overarching structure to manage compliance risks and benchmark Swedbank's processes against industry-leading standard. The evaluation identified a number of areas for improvement, which are currently being addressed within an ongoing Compliance Transformation Project.

#### Quality Assurance – Corporate Culture

A comprehensive review of Swedbank's corporate culture was started during 2020 to identify strengths and areas of improvement. A large number of Group employees provided their opinions and participated in surveys and focus groups. The review concluded in spring 2020 and resulted in a focus on developing a clear strategy, creating effective governance, strengthening leadership and reshaping performance management to strengthen the corporate culture.

#### Quality Assurance – Corporate Governance

An evaluation of the Group's internal governance and control was conducted in 2020. Swedbank's CEO has overarching responsibility for the project, which is managed by the Group's Chief Legal Officer.

In addition to strengthening oversight, steering and control, the corporate governance review at the Group-level will also ensure certain synergies in, for instance, the allocation of roles, responsibilities and principles for reporting and escalation. The implementation of corporate governance changes is underway in 2021 with several separate work streams and in ordinary

process for implementation. Important aspects include the establishment of a new Baltic subsidiary in the form of a holding company which, in turn, will own the current subsidiaries in Estonia, Lithuania and Latvia. This will ensure that governance and control in the business area Baltic Banking are strengthened and that the responsibilities and duties of management are clarified. Furthermore, Swedbank has implemented a mandatory training programme on corporate governance for, among others, senior executives, board members in major subsidiaries and employees who are involved in the corporate governance process, with the goal of increasing awareness among employees of the importance of an improved culture with respect to combating financial crime.

The Board of Directors plays an active role in the governance oversight through the Governance Committee formed at the end of 2019.

#### **9.6.5 Auditor Recommendations**

Within the scope of the 2019 audit of Swedbank, the Group's independent auditor, PricewaterhouseCoopers AB ("PwC"), also audited administration of the Group's Board of Directors and the Managing Directors. Based on their findings and factoring that the various investigations were not complete at the time, PwC, in the auditor's report, recommended that the shareholders not discharge the former CEO from liability. Similarly, due to potential financial consequences such as fines, withdrawn licenses, restrictions on currency trading and other sanctions, PwC considered the extent to which any deficiencies in regulatory compliance may have affected the financial statements of the annual report. This included accounting and disclosure regarding reserves and contingent liabilities. No such recommendations were issued by PwC in relation to the 2020 audit of Swedbank.

Swedbank has not allocated any provisions for fines or penalties. Current accounting rules provide that the Group is able to determine with a high probability the size of any fines or penalties before a provision can be allocated, and this has not been possible to date.

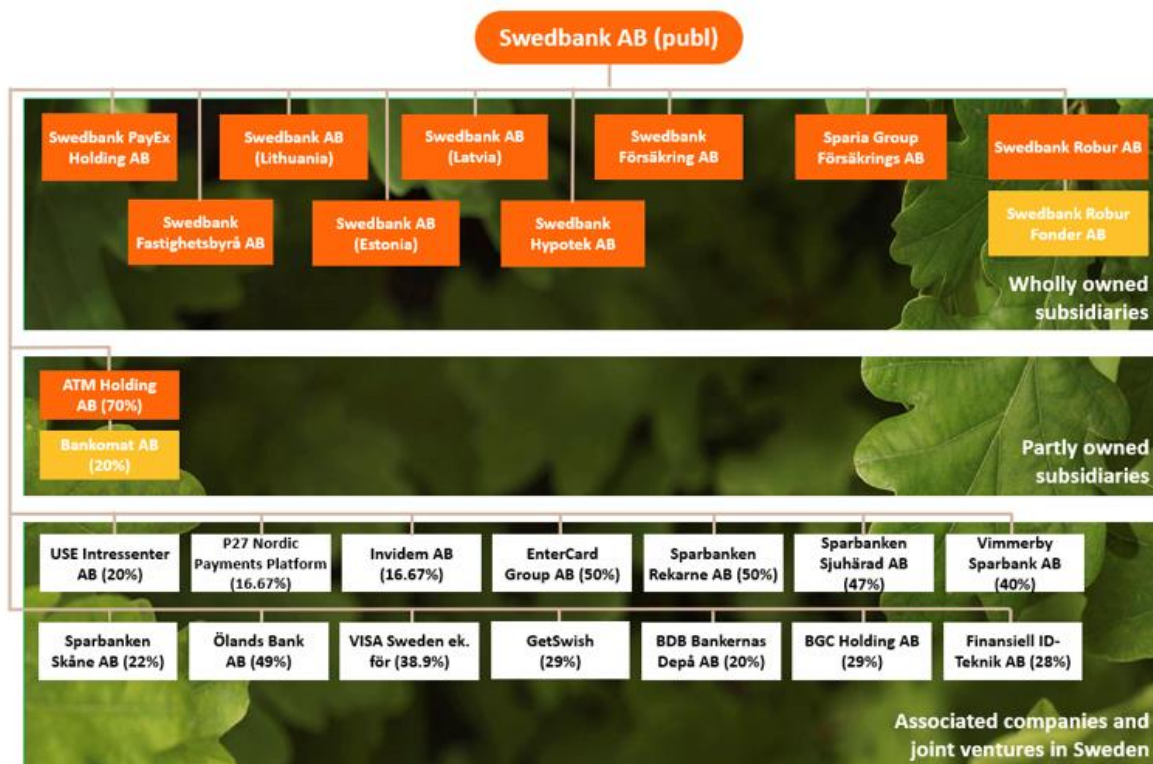
#### **9.7 Key Geographic Markets and Competition**

The Group currently operates in four geographic home markets: Sweden, Estonia, Latvia and Lithuania. The Group faces a variety of competition in these markets. In addition to traditional competition from Nordic and Baltic banks, fintech and other new market entrants are increasingly attempting to gain market recognition. As Nordic banks and niche players strengthen their positions within segments, the banking market has become increasingly consolidated.

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 a branch) and China (where the Group has a branch). Additionally, the Group is represented in Spain and South Africa. The Group's offices in Luxembourg are in the process of being closed.

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





### 9.7.1 Sweden

The banking sector is fairly concentrated in the Group's home market of Sweden. In 2020, the Group, Svenska Handelsbanken, Nordea and SEB accounted for approximately 60 to 75 per cent of deposits and lending (adjusted for Stabelo, Svensk Hypotekspension and Hypoteket), according to Statistics Sweden. 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 (23 per cent) and deposits from private customers (19 per cent) as of 31 December 2020.<sup>23</sup> The Group believes that consumers have been more willing to change banks in recent years due to pricing and a sense of stability. During the past year, the major banks have become more competitive, thus regaining market share from smaller players.

### 9.7.2 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 51 per cent for private deposits and 43 per cent for private lending as of 30 November 2020. In the Estonian corporate market, the Group's market share was 37 per cent for lending and 44 per cent for deposits as of 30 November 2020.<sup>24</sup>

### 9.7.3 Latvia

Latvia has a more fragmented market where local banks account for a significant portion of the various segments. As of 30 September 2020, the Group had a market share of 33 per cent of

private deposits and 35 per cent of private lending. In the corporate market, the market share was 28 per cent for deposits and 22 per cent. for lending as of 30 September 2020.<sup>25</sup>

#### **9.7.4 Lithuania**

Like Sweden, the banking market in Lithuania is dominated by a few major players. As of 30 September 2020, the Group had a market share of 44 per cent<sup>26</sup> of private deposits and 39 per cent of private lending. In the corporate market, the Group's share was 22 per cent for lending and 27 per cent for deposits as of 30 September 2020.

### **9.8 Information Technology**

#### **9.8.1 Overview – Digital Banking & IT**

Swedbank operates a federated information technology ("IT") delivery model. Application development and maintenance is distributed into individual Business Areas and Group Functions, whereas responsibility for core infrastructure and operation IT services as well as governance functions is located in the Digital Banking & IT unit. Merging IT infrastructure and operation with Digital Banking, which was effective as of 1 January 2020, brought together expertise in the development of digital services, customer experience and infrastructure. Swedbank IT serves the Group in Sweden and the Baltic countries. In addition, Swedbank 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. The main data centres are located in Sweden and Estonia and contain sufficient back-up storage.

Customers can 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 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 recent years, which make everyday banking easier for customers.

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<sup>6</sup>Association of Lithuanian Banks.

## 10 Risk Management

Swedbank defines risk as a potentially negative impact on the value of the Group that may arise from current internal processes or from internal or external future events. The concept of risk combines the probability of an event occurring with the impact such event would have on profit and loss, equity and value of the Group.

Risk arises in all financial operations, hence a deep understanding and solid management of risk is central for any successful business.

The Board of Directors has adopted an Enterprise Risk Management ("ERM") policy depicting the risk framework, risk management process and the roles and responsibilities for risk management. Swedbank continuously identifies the risks generated in its operations and has designed processes to manage them.

### 10.1 The Group's Risk Management is based on the principle of the 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 with a clear division of responsibilities between the risk owners in the first line of defence responsible for managing risks and the various control functions, i.e. Group Risk, Group Compliance and Group Internal Audit.



### 10.2 Three levels of risk management

#### 10.2.1 First Line of Defence – Risk Management by Business Operations

The first line of defence refers to all risk management activities carried out by the business areas, product areas and group functions. First line management take or are subject to risks and are responsible for continuous and active risk management. Management owns the risk within their respective area of responsibility and are responsible for ensuring there are appropriate processes and internal control structures in place that aim to ensure that risks are identified, assessed, managed, monitored, reported and kept within the boundaries of the Group's appetite in accordance with the risk management framework. First line responsibilities also include establishing relevant governance structure and to secure that activities comply with external and internal requirements. An important part of the Risk Management Framework is to clarify the ultimate risk management responsibility of the first line of defence.

#### 10.2.2 Second Line of Defence – Risk and Control Functions

The second line of defence refers to the independent control functions, the risk organisation (Group Risk) and the compliance organisation (Group Compliance). These functions define the risk management framework, covering all material risks that the Group faces. The framework governs how to identify, assess, measure, manage, monitor and report on risks. The second line also monitors and assesses whether effective risk management processes and controls are implemented by relevant risk owners. The second line challenges and validates the first line's risk management activities, controls and analyses the Group's material risks and provides independent risk reporting to the CEO and the Board.

The second line of defence is organisationally independent from first line and may not carry out operational activities in the business or the unit they monitor and control.

### ***10.2.3 Third Line of Defence – Internal Audit***

The third line of defence refers to Group Internal Audit, which is governed by and reports to the Board. Group Internal Audit is responsible for evaluating governance, risk management and control processes within the first and second lines of defence. The third line of defence is to be organisationally independent from the first and second lines and shall not carry out operational activities in other functions.

## 11 Management

### 11.1 Board of Directors

The Swedbank Board of Directors (the "Board") has overarching responsibility for managing the Group's affairs in the interest of both Swedbank and the shareholders. The Board carries out its role in a sustainable manner, with a focus on the Group's customers' interests and sound risk management, to ensure the Group's long-term survival and instil trust in the market.

On 28 May 2020, Swedbank held its Annual General Meeting ("AGM") and increased the total number of board members from nine to ten, electing five new Board members and re-electing five existing Board members. The new members of the Board were Bo Bengtsson, Göran Bengtsson, Hans Eckerström, Bengt-Erik Lindgren and Biljana Pehrsson. The majority of members elected at the AGM are independent in relation to Swedbank and the Group Executive Committee and independent in relation to Swedbank's major shareholders. The Board also includes two employee representatives in accordance with special agreements with the Financial Sector Union of Sweden and Akademikerföreningen.

At the Annual General Meeting of 2021, on 25 March, Swedbank decided that there shall be twelve board members and elected Annika Creutzer and Per Olof Nyman to the Board of Directors. The already existing ten board members were all re-elected.

The members of the Board, their year of birth, the year of their initial election as a director and the year of their initial appointment as an employee representative, their position and whether or not they are independent according to the requirements set out in the Swedish Code of Corporate Governance (the "SCCG"), are set forth in the table below.

Name	Year of birth	Board member since	Position	Independent/dependent
Göran Persson	1949	2019	Chair	Independent
Bo Magnusson	1962	2019	Vice Chair	Independent
Anna Mossberg	1972	2018	Member	Independent
Josefin Lindstrand	1976	2019	Member	Independent
Kerstin Hermansson	1957	2019	Member	Independent
Biljana Pehrsson	1970	2020	Member	Independent
Bo Bengtsson	1966	2020	Member	Dependent in relation to Swedbank and the management of Swedbank and independent in relation to Swedbank's major shareholders.
Göran Bengtsson	1967	2020	Member	Dependent in relation to Swedbank and the management of Swedbank and independent in relation to Swedbank's major shareholders.
Bengt Erik Lindgren	1950	2020	Member	Independent
Hans Eckerström	1972	2020	Member	Independent
Annika Creutzer	1957	2021	Member	Independent
Per Olof Nyman	1956	2021	Member	Independent
Roger Ljung	1967	2015	Employee Representative	—

Details as to the education and experience of the Board members are listed below:

**Göran Persson:** Mr. Persson has been the Chair of the board since June 2019. He holds a Sociology and political science degree from the University of Örebro. Mr. Persson was the Swedish Finance Minister from 1994 to 1996 as well as the Swedish Prime Minister from 1996 to 2006. He previously held positions as chair at Sveaskog and Scandinavian Air Ambulance, board member at Wiklöf Holding AB and board member at Ålandsbanken. Mr Persson is the chair at LKAB, chair at Greengold and chair at Scandinavian Biogas Fuels International AB. He is also senior advisor for the JKL Group.

**Bo Magnusson:** Mr. Magnusson has been the Vice chair of the board since June 2019. He has completed an Executive Leadership Program at Wallenberg Institute. Previously, he held the position as chair at SBAB Bank AB, Carnegie Holding AB, Carnegie Investment Bank AB, Fastighetsbolaget Norrporten AB, 4T-WyWallet, NS Holding AB and Sveriges Säkerställda Obligationer AB. He has also held various senior positions in SEB. Mr. Magnusson is currently the chair at Rikshem AB and Rikshem Intressenter AB. He is also a Board member at KBC Bank NV.

**Anna Mossberg:** Ms. Mossberg became a member of the Board in 2018. She holds a Master of Science from Luleå University of Technology, an executive MBA from both IE University, Spain and Stanford University, U.S. Ms. Mossberg is a full-time director and board member at SwissCom AB. She is also currently a board member at Schibsted ASA. Previously, she was a business area manager at Google Sweden AB, an MD at Bahnhof AB, SvP, Strategy and Portfolio Management, Deutsche Telecom AG, Director of Internet Services at Telia AB and Vice President at Telia International Carrier AB.

**Josefin Lindstrand:** Ms. Lindstrand has been a member of the Board since June 2019. She holds a Master of Laws and a University Diploma in Business Administration at the University of Stockholm. She has previously worked at BNP Paribas, Citi, Intertrust Group, Advokatfirman Hammarstiödt & Co and has been board member of SevenDays Finans AB as well as vice chairman of Sörmlands Sparbank. Ms Lindstrand is the founder and owner of Clearstone AB and currently holds a position as specialist advisor within corporate governance through private practice.

**Kerstin Hermansson:** Ms. Hermansson has been a member of the Board since the beginning of 2019. She holds a Law degree from Lund University. Previously, Ms. Hermansson was the CEO of Swedish Securities Dealers Association. Ms. Hermansson has also worked as Global Head of Legal & Compliance at Enskilda Securities AB, a subsidiary within SEB Group. She was previously a board member at Swedsec Licensing AB and the Seventh Swedish National Pension Fund. Ms. Hermansson has also held a position as an attorney at Jacobsson & Ponsbach Fondkommission Ab. Additionally, she has provided notary services at the Linköping's District Court and the police authorities in Katrineholm. She is currently a member of the European Banking Federation and ESMA's Securities and Markets Stakeholder Group.

**Biljana Pehrsson:** Ms. Pehrsson has been a member of the Board since May 2020. She holds a Master of Science in Engineering from the Stockholm Royal Institute of Technology. Ms. Pehrsson is currently CEO of Kungsleden AB and a board member of Kungliga Dramatiska Teatern AB and Stadsutvecklarna i Värtahamnen AB. She was previously a board member of East Capital Baltic Property Fund (ECBPF I & II & III), Einar Mattsson AB/Fastighets AB

Stadshus, the deputy CEO / Head of Real Estate of East Capital Private Equity and CEO of Centrumutveckling.

**Bo Bengtsson:** Mr. Bengtsson has been a member of the Board since May 2020. He is an approved auditor and holds active Swedsec and Swedsec mortgage licenses. Mr. Bengtsson also studied strategic management at Handelshögskolan in Stockholm. He is the current CEO of Sparbanken Skåne. Mr. Bengtsson was previously the CEO of Sparbanken and Kristianstads Sparbank.

**Göran Bengtsson:** Mr. Bengtsson has been a member of the Board since May 2020. He attended the Bachelor's Programme in Business and Economics at the University of Borås. Mr. Bengtsson is currently a member of the Board's Risk and Capital Committee and Audit Committee. He is currently CEO of Falkenbergs Sparbank and a board member of Destination Falkenberg AB. He was previously Regional Head of Credit at Swedbank from 2007 to 2012.

**Hans Eckerström:** Mr. Eckerström has been a member of the Board since May 2020. He holds a Master of Science in Mechanical Engineering from Chalmers University of Technology and a Master of Science in Business Administration from the University of Gothenburg. Mr. Eckerström is currently the chair of Henri-Lloyd Group AB, Profoto Holding AB and Profoto Invest AB. He is also a board member of Thule Group AB. Mr. Eckerström was previously the chair of Nobia AB and a board member of Nordstjernan AB.

**Bengt Erik Lindgren:** Mr. Lindgren has been a member of the Board since May 2020. He studied business administration, sociology and personnel management at Uppsala University. Mr. Lindgren is currently a member of the Board's Risk and Capital Committee. He was previously Chair of Prevas AB and Länsförsäkringar Bergslagen Ömsesidigt and a board member of Lansa Fastigheter AB, Lansa Bostadsfastigheter AB and Länsförsäkringar Bank AB.

**Annika Creutzer:** Ms. Creutzer was elected as a member of the Board in 2021. She holds an Economics degree from Stockholm University. Ms. Creutzer has her own business, Creutzer & Co AB, focusing on financial journalism and public education. Previously she was a board member of the Swedish Pensions Agency, and also a startup company named Påmind. She has also been the editor in Chief at Pengar24 as well as Privata Affärer.

**Per Olof Nyman:** Mr. Nyman was elected as a member of the Board in 2021. He holds a Master of Science in Industrial Economy and has also studied IT and Business Law. He is currently the CEO of Lantmännen Ek. För, a board member at HKScan Oyj, Svensk Kooperation and Lantmännen Dansk Landbrugs Grovvarereselskab International AB (LDI). He is also the chair of Intercoop Europe.

**Roger Ljung:** Mr. Ljung has been an employee representative to the Board since 2015. Mr. Ljung is a Business advisor at Swedbank. Previously he was a retail advisor and branch manager at Swedbank. Mr. Ljung is also a board member of Finansförbundets förbundsstyrelse, deputy chair of Finansförbundets koncernklubb Swedbank, board member of Finans och Försäkringsbranchens A-kassa and deputy chair of SPK.

**Åke Skoglund:** Mr. Skoglund has been an employee representative to the Board since 2020. Mr. Skoglund studied Business Administration at Stockholm University. He has worked at Swedbank for approximately 30 years. He has previous experience with business development, accounting, annual accounts and government reporting.

The office address of the members of the Board is c/o Swedbank (publ), Landsvägen 40, SE-172 63 Sundbyberg Stockholm, Sweden. None of the Board members have any family relationship with any other Board member or any members of the Group Executive Committee.

During the last five years none of the members of the Board have been involved in any bankruptcies, receiverships or liquidations in any capacity as a member of the board of directors of a company or members of the management of a company. None of the members of the Board have been convicted in relation to fraudulent offences during the last five years or been subject to any public incrimination or sanctions by statutory or regulatory authorities (including designated professional bodies), and none of the directors have been disqualified by a court from acting as members of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the last five years.

There are no potential conflicts of interest between any duties owed to Swedbank by any member of the Board of Swedbank, listed above, and their private interests or other duties.

Some or all of the members of the Board are customers of Swedbank and accordingly have ordinary customer relationships with Swedbank.

The members of the Board are not entitled to any benefits upon retirement from the Board.

## **11.2 Group Executive Committee**

The transformation of the Group Executive Committee involved the appointment of Charlotte Rydin as Chief Legal Officer and Head of Group Legal on 9 July 2020. She started in the beginning of 2021. Jon Lidfelt was appointed Head of Baltic Banking on 9 July 2020. He had been acting Head of Baltic Banking since December 2019. In addition, Erik Ljungberg was appointed as Head of Group Communication and Sustainability on 1 July 2020 and Rolf Marquardt was appointed as Group Risk Manager on 14 September 2020. On 15 January 2021, it was announced that Ola Laurin stepped down as the Head of Large Corporates & Institutions and would leave the Group. Björn Meltzer will serve as the acting Head of Large Corporates & Institutions and recruitment of a permanent replacement has begun.

The table below sets forth the name, year of birth, current position and years of employment of the members of the Group Executive Committee.



Name	Year of birth	Position	Employed Since
Jens Henriksson	1967	President and CEO	2019
Mikael Björknert	1966	Head of Swedish Banking	2010
Lars-Erik Danielsson	1962	Chief Credit Officer	1990
Anders Ekedahl	1960	Head of Anti Financial Crime Unit	1987
Jon Lidfeldt	1973	Head of Baltic Banking	2013
Erik Ljungberg	1971	Head of Group Communication & Sustainability	2020
Björn Meltzer	1961	Acting Head of Large Corporates & Institutions	2010
Lotta Lovén	1967	CIO and Head of Digital Banking & IT	2004
Rolf Marquardt	1964	Chief Risk Officer	2020
Carina Strand	1964	Head of HR & Infrastructure	2017
Anders Karlsson	1966	Chief Financial Officer ("CFO")	2010
Charlotte Rydin	1968	Chief Legal Officer and Head of Group Legal	2021
Ingrid Harbo	1959	Chief Compliance Officer	2011
Kerstin Winlöf	1966	Head of Group Financial Products & Advice	2019

**Jens Henriksson:** Mr. Henriksson holds a Bachelor's degree in Economics, Masters in Electric Engineering, Control Theory and a Fil. Lic. in Economics.

**Mikael Björknert:** Mr. Björknert holds a Bachelor's of Science in Business Administration and Economics.

**Lars-Erik Danielsson:** Mr. Danielsson holds a Master's of Science in Economics.

**Anders Ekedahl:** Mr. Ekedahl holds a Master's of Science in Economics.

**Jon Lidfeldt:** Mr. Lidfeldt holds a Master's of Science in Engineering Physics.

**Erik Ljungberg:** Mr. Ljungberg holds a Master's of Science in Business Administration.

**Björn Meltzer:** Mr. Meltzer holds a Bachelor's degree in Business Administration from Lunds University.

**Lotta Lovén:** Ms. Lovén holds a Diploma in Business Administration.

**Rolf Marquardt:** Mr. Marquardt holds a PhD in Business Economics.

**Carina Strand:** Ms. Strand studied business for her upper secondary school degree.

**Anders Karlsson:** Mr. Karlsson holds a Master's of Science in Economics.

**Charlotte Rydin:** Ms. Rydin holds a Master's of Law, LL.M.

**Ingrid Harbo:** Ms. Harbo holds a Master's of Law, LL.M.

**Kerstin Winlöf:** Ms. Winlöf holds a Master's of Science in Business Administration and Economics.

The office address of the members of the Group Executive Committee is c/o Swedbank (publ) Landsvägen 40, 172 63 Sundbyberg, Sweden. None of the members of the Group Executive Committee has any family relationship with any other member of the Group Executive Committee or member of the Board of Directors.

None of the members of the Group Executive Committee have, during the past five years, been involved in any bankruptcies, receiverships or liquidations in any capacity as a member of the Board of Directors of a company or members of the management of a company. None of the members of the Group Executive Committee have been convicted in relation to fraudulent offences during the last five years or been subject to any public incrimination or sanctions by statutory or regulatory authorities (including designated professional bodies), and none of the members of the Group Executive Committee have been disqualified by a court from acting as members of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the last five years.

The Board of Directors have adopted a Conflict of Interest Policy that sets the Group's approach as regards conflicts of interest. The Policy defines the key conflicts of interest that impact the Group as well as detailing its mitigating actions. A key function related to this is the process for disclosure of ancillary assignments.

Some or all of the members of the Group Executive Committee are customers of Swedbank and accordingly have ordinary customer relationships with Swedbank.

### **11.3 Auditor**

In accordance with its Articles of Association, Swedbank shall have no less than one and no more than two authorised public accountants (the "Auditor"). The Auditor is appointed by the AGM after being nominated by the Nomination Committee. Auditing duties are normally for four years, although a decision may be made to replace the Auditor before the conclusion of the four-year period. At the 2019 AGM (on 28 March 2019), PwC Sverige AB was elected as auditor for the period ending at the 2023 AGM. The Chief Auditor is Authorised Public Accountant Anneli Granqvist, a member of FAR (the institute for the accountancy profession in Sweden). In 2020, the Chief Auditor reported to the Audit Committee on four occasions. The Auditor also participated in a Board meeting at which a summary of the year's audit was presented. The Auditor also met with the Chair of the Audit Committee, the executive management and other operating managers on a regular basis. The Group's interim reports are reviewed by the Auditor. The Sustainability report has been reviewed as well.

### **11.4 Corporate Governance**

Good corporate governance means governing the Group as sustainably, effectively and responsibly as possible. This is important in order to maintain confidence in Swedbank beyond ensuring effective risk management and a sound risk and corporate culture. Good corporate governance also leads to efficient and transparent internal and external information disclosure. Decision-making processes shall be simple, systematic, transparent and have clear lines of responsibility. There have to be clearly defined routines to manage conflicts of interest and effective tools for internal governance, risk management and control. The corporate culture shall be characterised by transparency, compliance and risk awareness. Swedbank's values provide a foundation for decision-making on a daily basis and for employees' daily work.

In 2020, a review was conducted of the Group's corporate governance model, the purpose of which was to ensure that the Group has an effective and satisfactory model that is clear, consistent and aligned with current corporate governance principles. An evaluation of the boards, committee structures and executive managements of the Baltic subsidiaries has been

conducted, in addition to how the Group handles potential conflicts between laws and regulations on corporate governance and control in Sweden and the Baltic countries. The review resulted in among other things updates to several key policy documents within the Group that clarify the delegation of responsibilities, roles and reporting lines. Furthermore, the Group's overarching risk framework has been revised. The Group has also improved the process for communicating and monitoring implementation of the Group's training in 2021 on corporate governance issues for decision makers in the organisation. The change in corporate governance is in an execution phase, with several ongoing subprojects and workstreams that will be fully implemented during 2021. An evaluation of the Baltic Banking governance structure and the general framework for governance framework is underway as well.

On 1 February 2021, it was announced that Swedbank's Board of Directors had decided to establish a Baltic subsidiary in the form of a holding company headquartered in Riga, where ownership of the current subsidiary banks in Estonia, Latvia and Lithuania will be placed. The measures, which are a result of the corporate governance evaluation, strengthen both Swedbank's internal governance and the Baltic subsidiary banks. The decision will not result in any changes for the bank's customers in its home markets of Estonia, Latvia, Lithuania and Sweden.

### **11.5 Annual General Meeting**

The shareholders exercise their influence through participation in the AGM. According to Swedbank's Articles of Association, the AGM shall be held before the end of April or, under special circumstances, no later than June 30. The AGM is normally held in Stockholm.

On 15 February 2021, an extraordinary general meeting was held virtually to approve a dividend of SEK 4.35 per share for the financial year 2019. The 2021 Annual General Meeting was held on 25 March 2021. Due to the current pandemic, the Board of Directors decided that the AGM would be conducted without the physical presence of shareholders, proxies and third parties, and that voting could only be made by post before the meeting.

## 12 Certain Regulatory Considerations

Banks and other companies in the financial sector are subject to extensive regulation in Sweden and elsewhere. This section briefly describes certain of the regulations governing Swedbank relating to capital adequacy and liquidity, MREL and the Resolution Act. The information herein is current as of the date of this Prospectus. Many regulations are presently undergoing substantial changes, or have recently undergone such changes with resulting lack of foreseeability as to how they will be applied by the authorities. Some of these changes are referred to in the section titled "Risk Factors".

### 12.1 Capital adequacy and liquidity

The Swedish capital adequacy framework is based on CRR and the EU Capital Requirements Directive ("CRD"), 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. In addition, on 13 January 2011, the Basel Committee published minimum requirements for regulatory capital to ensure loss absorbency at the point of non-viability.

Following the Basel III guidelines, on 20 July 2011, the European Commission published corresponding proposed changes at the EU level to replace the amended Capital Requirement Directive with two legislative instruments: a Regulation establishing prudential requirements institutions are required to respect and a Directive (through an amendment of Directive 2002/87/EC) governing the access to deposit-taking activities. The Fourth Capital Requirements Directive 2013/36/EU ("CRD IV") legislative package was published in the Official Journal of the European Union on 27 June 2013. CRD IV was required to be implemented by the EU member states so as to apply from 1 January 2014 and the CRR applied directly in the EU member states from 1 January 2014, in each case, with certain exceptions. Beginning 1 January 2014, the Swedish capital adequacy framework is based on CRR and CRD IV. As from 1 January 2014 CRR became Swedish law, while CRD IV was implemented in Sweden in 2014 through amendments to Swedish legislation and SFSA regulations. CRR and CRD IV are complemented by a set of technical standards developed by the EBA and adopted by the European Commission.

CRR and CRD IV introduced significant changes in the prudential regulatory regime applicable to banks, including: increased minimum capital ratios; changes to the definition of capital and the calculation of REA; and the introduction of new measures relating to leverage, liquidity and funding. CRR and CRD IV permit a transitional period for certain of the enhanced capital requirements and certain other measures. The Swedish authorities decided however that the higher capital requirements resulting from the implementation of CRR and CRD IV would be implemented without any phasing-in period, with the only exception that capital instruments not fully compliant with CRR may be included in the total capital during a limited grandfathering period. Starting in 2014, Swedish banks have been required to report the leverage ratio to the regulator, and a formal disclosure requirement was introduced in the first quarter of 2015.

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. In early September 2014, the SFSA decided which capital requirements would apply to Swedish banks beyond the minimum level of 7 per cent Common Equity Tier 1 capital (including the mandatory capital conservation buffer of 2.5 per cent) in accordance with the EU rules. As of 1 January 2015, the three major Swedish banks, including Swedbank, are required to maintain a systemic risk buffer of 3 per cent in Common Equity Tier 1 capital within the framework of Pillar 1. The countercyclical buffer rate for Swedish exposures was set to 1.0 per cent from 13 September 2015, was increased to 1.5

per cent from 27 June 2016 and was increased further to 2.0 per cent beginning 19 March 2017. In March 2020, the countercyclical buffer was reduced to 0.0 per cent.

In January 2016, the SFSA reiterated that it does not intend to make formal decisions on the capital requirement for individual institutions in Pillar 2. As long as a formal decision has not been made, the capital requirement under Pillar 2 does not affect the level at which automatic restrictions on dividend and coupon payments on certain subordinated securities take effect (due to a breach of the combined buffer requirements).

Supervisory authorities in Sweden and at the European level have made note of the major differences among the average risk weights institutions use to calculate their credit risk exposure under the banks' internal rating-based ("IRB") approach (a basis for calculating capital requirements for credit risk) especially as regards mortgage lending within the retail exposure class. In May 2013, the SFSA announced its decision to introduce a risk-weight floor of 15 per cent for the Swedish mortgage portfolio, which was then increased to 25 per cent in September 2014. The risk-weight floor was introduced as part of the SFSA's overall capital assessment under the supervisory measures in Pillar 2. As of the end of 2018, the Swedish mortgage floor has been replaced with the requirement within the framework of Article 458 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending CRR to include the risk weight floor for Swedish mortgages in Pillar 1. This has not changed Swedbank's capital requirement materially in nominal monetary terms but has affected Swedbank's capital ratios and capital requirements expressed as a percentage of REA. 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.

In November 2018, the SFSA published a memorandum explaining that Swedish banks using an 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"). On 9 July 2019 the SFSA confirmed that the EBA will delay the deadline for full compliance with the updated requirement to the end of 2021. Compliance with the updated requirements on the definition of default is still required by the end of 2020. As a result of the new guidelines, Swedbank may be required to hold more capital.

In January 2020, the SFSA decided to introduce increased capital requirements for commercial real-estate bank loans in the third quarter of 2020. The capital requirement consists of a charge in Pillar 2 that represents the difference between the bank's average risk weights for commercial properties and the risk weights that the SFSA has set out. The average risk weight is 35 per cent for commercial real-estate and 25 per cent for residential real-estate.

The leverage ratio is a new non-risk-adjusted solvency requirement introduced in Basel III. It is described as a backstop to the risk-based capital measures. It is intended to limit the leverage effects in the balance sheet of volumes that are overly large in relation to the Group's own capital and to provide an extra layer of protection against model risk and measurement error. Under CRR, banks have been required to calculate and report their leverage ratio to regulators since 1 January 2014 and to disclose extensive information about the ratio publicly since 1 January 2015.

The Basel III guidelines also include liquidity standards which comprise a Liquidity Coverage Ratio ("LCR") and a Net Stable Funding Ratio ("NSFR"). The LCR requires banks to hold a reserve of liquid assets sufficient to withstand a 30-day period of liquidity stress. The NSFR rules set minimum requirements for matching the maturities of a bank's funding to the maturity of its assets.

The CRR contains provisions regarding the components of LCR and is complemented with Delegated Regulation 2015/61. As of January 2018, the European regulatory minimum requirement for the LCR on an aggregated level is set to 100 per cent. Per previously communicated Pillar 2 requirements, the SFSA also requires banks to comply with LCR in EUR and USD at least at 100 per cent. As of 1 October 2019, the SFSA introduced a minimum requirement in LCR SEK of 75 per cent, as well as limited the allowed amount of covered bonds issued by Swedish issuers as a share of the total liquid assets to 50 per cent, aimed at limiting potential concentration risks. Swedbank calculates and monitors the LCR on a daily basis. The CRR also contains provisions on the NSFR, which will be a binding requirement as of 28 June 2021. Swedbank regularly calculates, monitors, manages and publishes the NSFR and is well prepared for the implementation.

Under the SFSA regulation on Management of Liquidity Risk in Credit Institutions and Securities Companies, credit institutions and securities companies must have proper procedures for identifying, measuring and controlling liquidity risk and must also keep a liquidity reserve adapted to the size and the needs of the company.

European legislation also focuses on liquidity and funding risks in addition to the introduction of the LCR and the NSFR. There are separate reporting requirements on asset encumbrance, funding plans and additional liquidity monitoring metrics to further strengthen the information provided to supervisors. Furthermore, the Internal Liquidity Adequacy Assessment Process is submitted to regulators as an additional report on systemic and institution specific risks related to liquidity and funding.

#### *Amendments to regulations*

On 27 June 2019, a series of measures referred to as the Banking Reform Package came into force, subject to various transitional and staged timetables. The adoption of the Banking Reform Package concludes a process that began in November 2016 and is a step toward the completion of the European post-crisis regulatory reforms, drawing on a number of international standards.

The Banking Reform Package updated the framework of harmonized rules established after the financial crisis and introduces changes to CRR, CRD IV, the BRRD 2014/59/EU and the Single Resolution Mechanism Regulation (EU) No 806/2014 ("SRMR").

The amendments covered multiple areas, including the Pillar 2 framework, a binding leverage ratio minimum requirement of 3 per cent., restrictions to the maximum distributable amount ("MDA") if the minimum requirement is breached, a binding net stable funding ratio requirement, mandatory restrictions on distributions, permission for reducing own funds and eligible liabilities, macro prudential 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. The amendments were required to be implemented by national legislation no later than 28 December 2020. In Sweden, the implementation of the BRRD amendments has been delayed but are expected to enter force on 1 July 2021. Uncertainty regarding how and when the amendments will impact Swedish banks is expected to remain until the legal implementation is complete and relevant authorities have communicated how they intend to apply the new regulatory framework.

In November 2020, the SFSA decided to change the capital requirements as a result of the amendments to the CRD IV. The O-SII buffer was previously a 2.0 per cent parallel requirement with the systemic risk buffer. As of 29 December 2020, the O-SII buffer was reduced to 1.0

percent and added on top of the systemic risk buffer. At the same time, the systemic risk charge of 2.0 per cent in Pillar 2 was removed.

The SFSA intends to announce formal decisions setting the Pillar 2 requirement, which means that the MDA will be triggered should an institution breach its Pillar 2 requirements. Furthermore, the SFSA intends to provide guidance as to how much capital institutions should hold in addition to their Pillar 2 requirement to mitigate future financial stress.

A leverage ratio requirement of 3.0 per cent of the leverage exposure measure will be a binding capital requirement by 28 June 2021. In addition, the SFSA will decide on leverage ratio guidance in accordance with the Pillar 2 framework to be met on top of the leverage ratio requirement. The leverage ratio requirement is a parallel requirement to the risk-based capital requirement.

Requirements and guidance in accordance with the new Pillar 2 framework will be applied to Swedbank through the SREP in the third quarter of 2021.

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 2023 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 (which in August 2019 the EBA recommended be adopted), are expected to increase the 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.

## 12.2 MREL

To ensure that banks always have sufficient loss absorbing capacity, the Swedish Resolution Act, which implemented the Directive 2014/59/EU ("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 (CET1, 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 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 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 2024 and 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 2020, the SNDO provided individual specifications on how Swedish banks will have to comply with their MREL requirements in 2021. The MREL requirement for Swedbank on a consolidated basis, excluding insurance, was set as 6.2 per cent. of total liabilities and own funds. The requirement for Swedbank on a solo basis was set as 4.4 per cent. The joint decision explicitly approves the Group's resolution plan and the assessment of resolvability of

the Group. The decision applies from 23 December 2020. As MREL is phased in as well as if MREL requirements change in the future, the Group may need to raise additional capital or eligible liabilities. When implemented in Sweden, Directive 2019/879 amending Directive No 2014/59 ("BRRD II") may change Swedbank's need for senior non-preferred instruments. Under BRRD II, a breach of the minimum requirement for eligible liabilities is proposed to result in restrictions on the maximum distributable amount. The exact details will be known when BRRD II is transposed into Swedish law. The transposition process has been delayed past its initial deadline of 28 December 2020, but proposed legislation is expected to enter into force on 1 July 2021.

### **12.3 The Resolution Act and the Act on Preventative Government Support to Credit Institutions**

On 2 July 2014, Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms entered into force, the "BRRD". The BRRD is intended to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system. On 1 February 2016, the BRRD was implemented in Sweden by the entry into force of the Resolution Act (Sw. *lagen (2015:1016) om resolution*).

A credit institution can be placed into resolution by the SNDO (the "resolution authority") if (a) the SFSA has determined that the institution is failing or likely to fail, (b) there are no alternative measures which would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is necessary in the public interest. The Resolution Act contains four resolution tools and powers which may be used alone or in combination. The resolution tools are: (i) sale of business, which enables the resolution authority to direct the sale of the institution or the whole or part of its business on commercial terms; (ii) in order to enable continuation of critical businesses, transfer all or part of the assets or liabilities of the institution to a "bridge institution" (an entity created for this purpose that is wholly or partially publicly owned); (iii) asset separation, which enables the resolution authority to transfer assets, rights or liabilities to one or more asset management vehicles, wholly or partially publicly owned, to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this tool may only be used together with another resolution tool); and (iv) bail-in, which gives the resolution authority the power to write down certain claims of unsecured creditors (including the Notes) of a failing institution and to convert certain unsecured debt claims, including the Notes, in to equity (the "general bail-in tool"), which equity could also be subject to any future cancellation, transfer or dilution. In addition, the resolution authority has, amongst others, the power to: (i) stop payments from the institution under resolution; (ii) take action to prevent creditors and other counterparties of the institution from terminating contracts early or executing set-off or netting arrangements; and (iii) to vary the maturity, the interest rate and the interest payment date of the relevant unsecured debt claims (including the Notes).

An institution will be considered as failing or likely to fail when it is, or is likely in the near future to be, in breach of its obligations to the extent that its authorisation should be withdrawn; the value of 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 public financial support (with some exceptions listed in the Resolution Act).

In addition to the resolution tools (such as the general bail-in tool), the BRRD provides for resolution authorities to have the further power to permanently write-down or convert into equity tier 1 capital instruments and tier 2 capital instruments (such as the Subordinated Notes) at the point of non-viability and before any other resolution action is taken ("non-viability loss



absorption"). Any shares issued to holders of such capital instruments upon any such conversion into equity may also be subject to any future cancellation, transfer or dilution. This power will be extended to include external eligible liabilities (such as the Senior Preferred Notes) if used in combination with a resolution power once BRRD II is implemented (the national implementation deadline, which was originally scheduled for 28 December 2020 has now been postponed until early July 2021).

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the BRRD is the point at which (i) the relevant authority determines that the relevant entity meets the conditions for resolution (but no resolution action has yet been taken) or (ii) the relevant authority or authorities, as the case may be, determine(s) that the relevant entity or its group will no longer be viable unless the relevant capital instruments (such as Subordinated Notes) are written-down or converted or (iii) extraordinary public financial support is required by the relevant entity or its group other than, where the relevant entity is an institution, for the purposes of remedying a serious disturbance in the economy of a Member State of the EEA and to preserve financial stability.

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.

For a discussion on how the Resolution Act may affect the Group and the Notes, see "Risk Factors—Risks Relating to the Issuer's Financial Situation—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" and "—Risks Relating to Macro-economic and Political Events—The Group's business is subject to substantial regulation and supervision and can be adversely affected by adverse regulatory, taxation and governmental developments" and "Risk Factors—Risks Relating to the Notes—General Risks Relating to Notes—The Notes may be subject to write-down or conversion into ordinary shares of Swedbank".

Also on 1 February 2016, the Act on Preventative Government Support to Credit Institutions (Sw. *lagen (2015:1017) om förebyggande statligt stöd till kreditinstitut*) entered into force. This act enables the authorities to give government support to credit institutions at an earlier stage than a point in time when the Resolution Act would apply. In addition, this act stipulates the setting up of a stability fund for the purpose of financing preventive action under the act as well as actions taken under the Resolution Act.

## 13 Clearing and Settlement

Custodial and depositary links have been established with Euroclear, Clearstream, Luxembourg and DTC to facilitate the initial issuance of Notes and cross-market transfers of Notes between investors associated with secondary market trading. Transfers within Euroclear, Clearstream, Luxembourg and DTC will be in accordance with the usual rules and operating procedures of the relevant system.

### 13.1 Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Distributions of principal and interest with respect to book-entry interests in the Notes held through Euroclear and Clearstream, Luxembourg will be credited to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

### 13.2 DTC

DTC is a limited-purpose trust company organised under the laws of the State of New York and a "banking organisation" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities for DTC participants and facilitates the clearance and settlement of securities transactions between DTC participants through electronic book-entry changes in accounts of DTC participants. DTC participants include securities brokers and dealers, banks, trust companies and clearing corporations and certain other organisations. Indirect access to DTC is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly.

Holders of book-entry interests in the Notes holding through DTC will receive, to the extent received by the Registrar, all distributions of principal and interest with respect to book-entry interests in the Notes from the Registrar through DTC. Distributions in the United States will be subject to relevant U.S. tax laws and regulations.

The laws of some states of the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer interests in a Registered Global Note to such persons may be limited. Because DTC, Euroclear and Clearstream, Luxembourg can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Registered Global Note to pledge such interest to persons or entities which do not participate in the relevant clearing system, or

otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

The aggregate holdings of book-entry interests in the Notes in Euroclear, Clearstream, Luxembourg and DTC will be reflected in the book-entry accounts of each such institution. As necessary, the Registrar will adjust the amounts of Notes on the Register for the accounts of (i) Euroclear and Clearstream, Luxembourg and (ii) DTC to reflect the amounts of Notes held through Euroclear and Clearstream, Luxembourg and DTC, respectively. Beneficial ownership in Notes will be held through financial institutions as direct and indirect participants in Euroclear, Clearstream, Luxembourg and DTC. Euroclear, Clearstream, Luxembourg or DTC, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Notes will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the Notes. The Registrar will be responsible for maintaining a record of the aggregate holdings of Notes registered in the name of a nominee for the common depository for Euroclear and Clearstream, Luxembourg, a nominee for the common safekeeper, a nominee for DTC and/or Holders of Notes represented by Registered Definitive Notes. The Registrar will be responsible for ensuring that payments received by it from the Issuer for Holders of interests in the Notes holding through Euroclear and Clearstream, Luxembourg are credited to Euroclear and Clearstream, Luxembourg, as the case may be, and the Registrar will also be responsible for ensuring that payments received by the Registrar from the Issuer for Holders of interests in the Notes holding through DTC are credited to DTC.

The Issuer will not impose any fees in respect of the Notes; however, Holders of book-entry interests in the Notes may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear, Clearstream, Luxembourg or DTC.

Interests in an Unrestricted Registered Global Note and a Restricted Registered Global Note will be in uncertificated book-entry form. Purchasers electing to hold book-entry interests in the Notes through Euroclear and Clearstream, Luxembourg accounts will follow the settlement procedures applicable to conventional eurobonds. Book-entry interests in the Registered Global Notes will be credited to Euroclear participants' securities clearance accounts on the business day following the relevant issue date against payment (value such issue date), and to Clearstream, Luxembourg participants' securities custody accounts on the relevant issue date against payment in the same day funds. DTC participants acting on behalf of purchasers electing to hold book-entry interests in the Notes through DTC will follow the delivery practices applicable to securities eligible for DTC's Same-Day Funds Settlement ("SDFS") system. DTC participant securities accounts will be credited with book-entry interests in the Notes following confirmation of receipt of payment to the Issuer on the relevant issue date.

### **13.3 Secondary Market Trading in relation to Registered Global Notes**

*Trading between Euroclear and/or Clearstream, Luxembourg participants:* Secondary market sales of book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the Notes through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional eurobonds.

*Trading between DTC participants:* Secondary market sales of book-entry interests in the Notes between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's SDFS system in same-day funds, if payment is effected in U.S. dollars. Where payment is not effected in U.S. dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

*Trading between DTC seller and Euroclear/Clearstream, Luxembourg purchaser:* When book-entry interests in Notes are to be transferred from the account of a DTC participant holding a beneficial interest in a Restricted Registered Global Note to the account of a Euroclear or Clearstream, Luxembourg accountholder wishing to purchase a beneficial interest in an Unrestricted Registered Global Note (subject to the certification procedures provided in the Agency Agreement), the DTC participant will deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12 noon, New York time, on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg participant. On the settlement date, the Custodian will instruct the Registrar to (i) decrease the amount of Notes registered in the name of Cede & Co. and evidenced by the Restricted Registered Global Note and (ii) increase the amount of Notes registered in the name of the nominee of the common depository for Euroclear and Clearstream, Luxembourg or the nominee of the common safekeeper, as the case may be, and evidenced by the Unrestricted Registered Global Note. Bookentry interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant accountholder on the first business day following the settlement date.

*Trading between Euroclear/Clearstream, Luxembourg seller and DTC purchaser.* When book-entry interests in the Notes are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder to the account of a DTC participant wishing to purchase a beneficial interest in the Restricted Registered Global Note (subject to the certification procedures provided in the Agency Agreement), the Euroclear or Clearstream, Luxembourg participant must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 7:45 p.m., Brussels or Luxembourg time, one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg as the case may be, will in turn transmit appropriate instructions to the common depository for Euroclear and Clearstream, Luxembourg or the common safekeeper, as the case may be, and the Registrar to arrange delivery to the DTC participant on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg accountholder, as the case may be. On the settlement date, the common depository for Euroclear and Clearstream, Luxembourg or the common safekeeper, as the case may be, will (a) transmit appropriate instructions to the Custodian who will in turn deliver such book-entry interests in the Notes free of payment to the relevant account of the DTC participant and (b) instruct the Registrar to (i) decrease the amount of Notes registered in the name of the nominee of the common depository for Euroclear and Clearstream, Luxembourg or the nominee of the common safekeeper, as the case may be, and evidenced by the Unrestricted Registered Global Note and (ii) increase the amount of Notes registered in the name of Cede & Co. and evidenced by the Restricted Registered Global Note.

Although the foregoing sets out the procedures of Euroclear, Clearstream, Luxembourg and DTC in order to facilitate the transfers of interests in the Notes among participants of DTC, Clearstream, Luxembourg and Euroclear, none of Euroclear, Clearstream, Luxembourg or DTC is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee, the Registrar, any Paying Agent, any Transfer Agent, any Dealer or any affiliate of any of the above will have any responsibility for the performance by DTC, Euroclear and Clearstream, Luxembourg or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described above.

## 14 Notice to Purchasers of Restricted Notes and Transfer Restrictions

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*Because of the following restrictions, purchasers of Notes offered in the United States in reliance on Rule 144A under the Securities Act ("Restricted Notes") are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Restricted Notes.*

Each purchaser of Restricted Notes will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S under the Securities Act are used herein as defined therein):

- (i) The purchaser (A) is a qualified institutional buyer, (B) is aware that the sale to it is being made in reliance on Rule 144A and (C) is acquiring Notes for its own account or for the account of a qualified institutional buyer;
- (ii) The purchaser understands that such Restricted Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, such Restricted Notes have not been and will not be registered under the Securities Act or any state securities or other applicable securities law and may not be offered, sold or otherwise transferred except in accordance with the legend set forth in (iii) below;
- (iii) The Restricted Registered Global Notes and the Restricted Registered Definitive Notes will bear a legend to the following effect unless the Issuer determines otherwise in compliance with applicable law:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY APPLICABLE U.S. STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) (1) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF SUCH RULE 144A, (2) IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THE NOTES.

- (iv) Before any interest in a Restricted Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Registered Global Note it will be required to provide the Registrar with a written certification (in the form scheduled to the Agency Agreement) as to compliance with the transfer restrictions referred to in sub-clauses (A)(2) or (A)(3) of the legend set forth in (iii) above. See "Form of Notes; Summary of Provisions Relating to the Notes while in Global Form".

## 15 Taxation

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### 15.1 Swedish Taxation

*The following summary outlines certain Swedish tax consequences to holders of Notes 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 Notes.*

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 Note 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 Notes 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 Notes, except on payment of interest, and any other yield on any Notes which is paid at the same time as interest, to a holder of Notes who is a private individual (or an estate of a deceased individual) with tax residence in Sweden.

### 15.2 PRC Taxation

Please refer to the paragraph "*There may be PRC tax consequences with respect to investment in the RMB Notes*" under the section "*Risk Factors*" above.

### 15.3 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 Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes 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 the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State. 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 Notes are advised to seek their own professional advice in relation to the FTT.

### 15.4 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 Issuer is 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. Certain aspects of the application of FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, 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 Notes, proposed regulations have been issued that provide that 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. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Notes characterised as debt (or which are not otherwise categorised as equity and have a fixed term) for U.S. federal income tax purposes 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 (including by reason of a substitution of the Issuer). However, if additional Notes (as described under "Terms and Conditions of the Notes – Further Issues") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes 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 the Notes.

## 16 Subscription and Sale

*The Dealers who have agreed to purchase Notes of a Series from the Issuer will be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.*

Notes may be sold from time to time by the Issuer to any one or more of Barclays Bank Ireland PLC, BNP Paribas, BofA Securities Europe SA, Citigroup Global Markets Europe AG, Citigroup Global Markets Limited, Credit Suisse Securities Sociedad de Valores S.A., Danske Bank A/S, Deutsche Bank Aktiengesellschaft, Goldman Sachs International, HSBC Bank plc, J.P. Morgan AG, Morgan Stanley & Co. International plc, Natixis, NatWest Markets N.V., Nomura International plc, Société Générale, Swedbank AB (publ), UBS AG and UBS Europe SE (the "Dealers", which expression shall include any additional dealer or dealers appointed under the Programme from time to time) or to any other person or institution. The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in an Amended and Restated Dealer Agreement dated 10 May 2021 (as amended and restated or supplemented from time to time, the "Dealer Agreement") and made between the Issuer and the Dealers. Any such agreement will inter alia make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealer 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 Notes.

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 Issuer and their 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 Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer 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 Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes 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.

### 16.1 General

No action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Notes, or possession or distribution of this Base Prospectus or 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 or any Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

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 force in any jurisdiction in which it purchases, offers or sells Notes or possesses or distributes this Base Prospectus or any other material relating to the issue, offering and/or sale of Notes and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales and neither the Issuer nor any other Dealer shall have any responsibility therefor.

Selling restrictions may be supplemented or modified with the agreement of the Issuer.

## **16.2 Prohibition of Sales to EEA Retail Investors**

Unless the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) 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 Notes 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 Distribution 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 Regulation; 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area, 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 made and will not make an offer of Notes 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 Member State except that it may make an offer of such Notes to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) and 3(2) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

### **16.3 United States of America**

*Regulation S Category 2 TEFRA D, unless otherwise specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement; Rule 144A Eligible if so specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.*

Notes 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, or not subject to, 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.

Notes in bearer form are subject to United States tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by United States 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 represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until forty days after completion of the distribution of the Notes comprising the relevant Tranche, within the United States or to or for the account or benefit of United States persons, and such Dealer and its affiliates will have sent to each Dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to or for the account or benefit of United States persons.

In addition, until forty days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act (if available).

### **16.4 UK**

#### *Prohibition of sales to UK Retail Investors*

Unless the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to UK 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 Notes which are the subject of the offering contemplated by

this 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 UK. 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 (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to UK 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 made and will not make an offer of Notes 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 the UK except that it may make an offer of such Notes to the public in the UK:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision:

- the expression an "offer of Notes to the public" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

### Other regulatory restrictions

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

- (a) in relation to any Notes which have 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 Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as 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 where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Issuer;
- (b) 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 Notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

### 16.5 Italy

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

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision 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 Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes 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.

## 16.6 Japan

The Notes 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 Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, 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.

## 16.7 People's Republic of China

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Notes in the People's Republic of China (excluding Hong Kong, Macau and Taiwan) or to residents of the People's Republic of China, as part of the initial distribution of the Notes.

## 16.8 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 Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "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 Notes, 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 Notes 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.

## 16.9 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 Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes 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 Notes, 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 Notes 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 Notes 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.

## 17 Definitions

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**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.

## 18 General Information

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1. The establishment of the Programme was authorised by the Finance Committee of the Issuer at a meeting held on 10 November 1997. Further issuances of Notes under the Programme are duly authorised by the Issuer at the time of any such further issuances.
2. Except as disclosed in this Base Prospectus under the headings "*Risk Factors – Risks Relating to the Group – The Group is exposed to money laundering, terrorist financing and financial sanctions risks, and has been and is currently, subject to investigations by certain authorities into allegations that the Group may have processed money laundering transactions and may have violated OFAC sanctions*" and "*Swedbank – Legal Proceedings*", there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer 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 Issuer or the Group.
3. There has been no significant change in the financial performance of the Group or the financial position of the Group since 31 March 2021 and there has been no material adverse change in the prospects of the Issuer since 31 December 2020.
4. PricewaterhouseCoopers AB (Authorised Public Accountants) of Torsgatan 21, SE-113 97, Stockholm, Sweden, have audited the financial statements of the Issuer for the financial years ended 31 December 2019 and 31 December 2020.
5. 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.
6. Application will be made to have the Notes accepted for clearance through the Euroclear, Clearstream, Luxembourg and SIS clearance systems (which are the entities in charge of keeping book-entry records). The appropriate Common Code, ISIN number, CINS number, CUSIP numbers and Swiss Security number (as appropriate) allocated by Euroclear, Clearstream, Luxembourg and/or SIS will be contained in the Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, relating thereto. If the Notes 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 Notes, the applicable Pricing Supplement. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of SIS is SIX SIS Ltd, Baslerstrasse 100, CH-4601 Olten, Switzerland. In addition, the Issuer will (or, in relation to Notes denominated in a currency other than U.S. dollars, may) make an application with respect to each Series of Notes sold pursuant to Rule 144A for such Notes to be accepted for trading in book-entry form by DTC. All payments of principal and interest with respect to Notes denominated in any currency other than U.S. dollars and registered in the name of Cede & Co. as nominee for DTC, will be converted to U.S. dollars unless the relevant participants in DTC elect to receive such payment of principal or interest in that other currency. Acceptance of each Series will be confirmed in the Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, relating thereto. The address of DTC is 55 Water Street, New York, NY 10041-0099, USA.



7. For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from <https://swedbank.com/investorrelations/debt-investors.html>:
- (a) Certificate of Registration and Articles of Association of the Issuer;
  - (b) the Trust Deed; and
  - (c) 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 (other than any Pricing Supplements relating to Notes which are neither admitted to trading on any regulated market within the EEA or the UK nor offered in any Member State of the EEA or the UK in circumstances where a prospectus is required to be published under the Prospectus Regulation and/or the FSMA (including Exempt Notes)).

The Articles of Association of the Issuer referred to in paragraph (a) above are translated from the Swedish original. The Issuer confirms that such translation is a direct and accurate translation from the Swedish original.

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 Notes (other than Exempt Notes) issued under the Programme to be admitted to the Official List and to trading on the Euronext Dublin Regulated Market. The Euronext Dublin Regulated Market is a regulated market for the purposes of MiFID II.

However, Notes may be issued pursuant to the Programme which will not be admitted to listing on the Official List and admitted to trading and/or quotation by the Regulated Market of 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 Issuer and the relevant Dealer(s) may agree.

9. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Programme and is not itself seeking admission of Notes issued under the Programme to the Official List or to trading on the Regulated Market of Euronext Dublin for the purposes of the Prospectus Regulation.
10. The Issuer has not entered into any material contracts outside the ordinary course of the Issuer's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Holders of Notes issued under the Programme.
11. The issue price and principal amount of Notes of any Tranche to be issued will be determined at the time of offering of such Tranche in accordance with then prevailing market conditions.
12. In relation to any Tranche of Fixed Rate Notes or any Tranche of Reset Notes, as applicable, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity or the First Reset Date, as applicable, as at the Issue Date of the Notes and will not be an indication of future yield.
13. The Trust Deed provides that the Trustee may rely on any certificate or report from an expert or any other person in accordance with the provisions of the Trust Deed whether or not any

such certificate or report or any engagement letter or other document entered into by the Trustee in connection therewith contains any limit on the liability of such expert or such other person.

14. 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.
15. 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 Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its 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 Issuer or its affiliates. Certain of the Dealers or their affiliates routinely hedge their credit exposures to the Issuer 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 Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes 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.

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