

Program Information

Swedbank AB (publ)

PROGRAM INFORMATION

Type of Information:	Program Information
Date of Announcement:	7 June 2017
Issuer Name:	Swedbank AB (publ) (the " Issuer ")
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Type of Securities:	Notes (the " Notes ")
Scheduled Issuance Period:	8 June 2017 to 7 June 2018
Maximum Outstanding Issuance Amount:	U.S.\$40,000,000,000
Address of Website for Announcement:	http://www.jpx.co.jp/english/equities/products/tpbm/announcement/index.html
Name of the Main Dealer that is Expected to Subscribe for the Notes to be Drawn-Down from this Programme:	Nomura International plc
Status of Submission of Annual Securities Reports or Issuer Filing Information:	No

Notes to Investors:

1. TOKYO PRO-BOND Market is a market for professional investors, etc. (*Tokutei Tōshika tou*) as defined in Article 2, Paragraph 3, Item 2(b)(2) of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**") (the "**Professional Investors, Etc.**"). Notes listed on the market ("**Listed Notes**") may involve high investment risk. Investors should be aware of the listing eligibility and timely disclosure requirements that apply to issuers of Listed Notes on the TOKYO PRO-BOND Market and associated risks such as the fluctuation of market prices and shall bear responsibility for their investments. Prospective investors should make investment decisions after having carefully considered the contents of this Programme Information.
2. The regulatory framework for the TOKYO PRO-BOND Market is different in fundamental aspects from the regulatory framework applicable to other exchange markets in Japan. Investors should be aware of the rules and regulations of the TOKYO PRO-BOND Market, which are available on Japan Exchange

Group, Inc. website.

3. Tokyo Stock Exchange, Inc. ("**Tokyo Stock Exchange**") does not express opinions or issue guarantees, etc. regarding the content of this Programme Information (including but not limited to, whether this Programme Information (a) contains a false statement or (b) lacks information on: (i) important matters that should be announced or (ii) a material fact that is necessary to avoid misleading content) and shall not be liable for any damage or loss.
4. This Programme Information is prepared pursuant to Rule 206, Paragraph 2 of the Special Regulations of Securities Listing Regulations Concerning Specified Listed Securities (hereinafter referred to as the "**Special Regulations**") as information prescribed in Article 2, Paragraph 1, Item 1 of the Cabinet Office Ordinance on Provision and Publication of Information on Securities, etc. Accordingly, this Programme Information shall constitute Specified Securities Information stipulated in Article 27-31, Paragraph 1 of the FIEA.
5. All prospective investors who purchase the Notes should be aware that when they offer to purchase the Notes, they shall be required to (i) enter into and agree the terms of a transfer restriction agreement with the Issuer and/or the person making a solicitation, or (ii) (in the case of a solicitation of an offer to acquire the Notes to be newly issued) agree to comply with the terms of a transfer restriction. The terms of such transfer restriction agreement or transfer restriction provide that prospective investors agree not to sell, transfer or otherwise dispose of the Notes to be held by them to any person other than the Professional Investors, Etc., except for the transfer of the Notes to the following:
 - (a) the Issuer or the Officer (meaning directors, company auditors, executive officers or persons equivalent thereto) thereof who holds shares or equity pertaining to voting rights exceeding 50% of all the voting rights in the Issuer which is calculated by excluding treasury shares or any non-voting rights shares (the "**Voting Rights Held by All the Shareholders, Etc.**" (*Sou Kabunushi Tou no Giketsuken*)) (as prescribed in Article 29-4, Paragraph 2 of the FIEA) of the Issuer under his/her own name or another person's name (the "**Specified Officer**" (*Tokutei Yakuin*)), or a juridical person (excluding the Issuer) whose shares or equity pertaining to voting rights exceeding 50% of the Voting Rights Held by All the Shareholders, Etc., are held by the Specified Officer (the "**Controlled Juridical Person, Etc.**" (*Hi-Shihai Houjin Tou*)) including a juridical person (excluding the Issuer) whose shares or equity pertaining to voting rights exceeding 50% in total of the Voting Rights Held by All the Shareholders, Etc. are held by the Specified Officer and/or the Controlled Juridical Person, Etc. under its own name or another person's name (as prescribed in Article 11-2, Paragraph 1, Item 2 (c) of the Cabinet Office Ordinance on Definitions under Article 2 of the Financial Instruments and Exchange Act (MOF Ordinance No. 14 of 1993, as amended)); or
 - (b) a company that holds shares or equity pertaining to voting rights exceeding 50% of the Voting Rights Held by All the Shareholders, Etc. of the Issuer in its own name or another person's name.
6. When (i) a solicitation of an offer to acquire the Notes or (ii) an offer to sell or a solicitation of an offer to purchase the Notes (collectively, "**Solicitation of the Note Trade**") is made, the following matters shall be notified from the person who makes such Solicitation of the Note Trade to the person to whom such Solicitation of the Note Trade is made:
 - (a) no securities registration statement (pursuant to Article 4, Paragraphs 1 through 3 of the FIEA) has been filed with respect to the Solicitation of the Note Trade;
 - (b) the Notes fall, or will fall, under the Securities for Professional Investors (*Tokutei Toushika Muke Yukashoken*) (as defined in Article 4, Paragraph 3 of the FIEA);
 - (c) any acquisition or purchase of the Notes by such person pursuant to any Solicitation of the Note Trade is conditional upon such person (i) entering into an agreement providing for the restriction on transfer of the Notes as set forth in note 5 above, (x) with each of the Issuer and the person making such Solicitation of the Note Trade (in the case of a solicitation of an offer to acquire the Notes to be newly issued), or (y) with the person making such Solicitation of the Note Trade (in the case of an offer to sell or a solicitation of an offer to purchase the Notes already issued), or (ii) agreeing to comply with the restriction on transfer of the Notes as set forth in note 5 above (in the case of a solicitation of an offer to acquire the Notes to be newly issued);

- (d) Article 4, Paragraphs 3, 5 and 6 of the FIEA will be applicable to such certain solicitation, offers and other activities with respect to the Notes as provided in Article 4, Paragraph 2 of the FIEA;
 - (e) the Specified Securities Information, Etc. (*Tokutei Shouken Tou Jouhou*) (as defined in Article 27-33 of the FIEA) with respect to the Notes and the Issuer Information, Etc. (*Hakkosha Tou Jouhou*) (as defined in Article 27-34 of the FIEA) with respect to the Issuer have been or will be made available for the Professional Investors, Etc. by way of such information being posted on the website maintained by the TOKYO PRO-BOND Market (<http://www.jpx.co.jp/english/equities/products/tpbm/index.html> or any successor website), in accordance with Rules 210 and 217 of the Special Regulations; and
 - (f) the Issuer Information, Etc. will be provided to the holders of the Notes or made public pursuant to Article 27-32 of the FIEA.
7. In respect of the U.S.\$40,000,000,000 Global Medium Term Note Programme dated 12 May 2017, a rating of (P)Aa3 from Moody's Investors Service, Inc. ("**Moody's**") has been assigned, and a rating of AA- from Standard & Poor's Credit Market Services Europe Limited ("**S&P**") and Fitch Ratings Ltd. ("**Fitch**") have been assigned respectively on 3 May 2017. The credit rating firms have not been registered under Article 66-27 of the FIEA ("**Unregistered Credit Rating Firms**").

Unregistered Credit Rating Firms are not subject to supervision by the Financial Services Agency or to regulations such as information disclosure obligations applicable to registered credit rating firms, and are not obligated to disclose information on matters described in Article 313, Paragraph 3, Item 3 of the Cabinet Office Ordinance on Financial Instruments Business, etc. For S&P, Fitch and Moody's, S&P Global Ratings Japan Inc. (registration number: Commissioner of Financial Services Agency (*kakuzuke*) No.5), Fitch Ratings Japan Limited (registration number: Commissioner of Financial Services Agency (*kakuzuke*) No. 7) and Moody's Japan K.K. (registration number: Commissioner of Financial Services Agency (*kakuzuke*) No.2) are registered as Credit Rating Firms within their respective groups, respectively; and S&P, Fitch and Moody's are specified affiliated corporations (as defined in Article 116-3, Paragraph 2 of the Cabinet Office Ordinance) of the respective Credit Rating Firms above. Assumptions, significance and limits applicable to the above credit ratings by S&P, Fitch and Moody's are disclosed respectively in the item entitled "Assumptions, Significance and Limits of Rating" posted under "Information on Unregistered Credit Rating" (http://www.standardandpoors.com/ja_JP/web/guest/regulatory/unregistered) in the column entitled "Library/Regulation" on the Internet website of S&P Global Ratings Japan Inc. (http://www.standardandpoors.com/ja_JP/web/guest/home), in the item entitled "Assumptions, Significance and Limitations of Credit Ratings" posted on the page appearing after clicking "Regulatory Affairs" in the column entitled "About Fitch's Rating Business" on the Internet website of Fitch Ratings Japan Limited (<http://www.fitchratings.co.jp>), and in the item entitled "Basis, meaning and limits of credit ratings" posted under "Description of Unregistered Credit Rating" in the item entitled "Use of Rating of Unregistered Rating Agency", which appears within the Internet website of Moody's Japan K.K. (displayed on the page of "Credit Rating Businesses" on the Moody's Japanese website (https://www.moodys.com/pages/default_ja.aspx)).

8. The selling restrictions set forth in notes 5 and 6 above shall prevail over those set forth in the section entitled "14. Subscription and Sale – 14.5 JAPAN" in this Program Information.

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

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 Directive 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 Article 3.2 of the Prospectus Directive (as implemented in the relevant Member State(s)). 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 Directive. 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 page 12 of this Base Prospectus).

The Issuer has been assigned ratings of A-1+ (short term) and AA- (outlook negative) (long term) from Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's"); P-1 (short term) and Aa3 (outlook stable) (long term) from Moody's Investors Service Ltd. ("Moody's"); and F1+ (short term) and AA- (outlook stable) (long term) from Fitch Ratings Ltd. ("Fitch"). Notes to be issued under the Programme are expected to be rated AA- (Unsubordinated Notes with a maturity of more than one year), A- (Subordinated Notes) and A-1+ (Unsubordinated Notes with a maturity of less than one year) by Standard & Poor's; Aa3 (Unsubordinated Notes), Baa2 (Subordinated Notes) and P-1 (short term) by Moody's; and AA- (Unsubordinated Notes with a maturity of more than one year), A+ (Subordinated Notes) and F1+ (Unsubordinated Notes with a maturity of less than one year) by Fitch. Each of Standard & Poor's, Moody's and Fitch is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "CRAR 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 REGULATIONS 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 Merrill Lynch
Credit Suisse
Deutsche Bank
HSBC
Morgan Stanley
NatWest Markets
Société Générale Corporate & Investment Banking
UBS Investment Bank

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

The date of this Base Prospectus is 12 May 2017

IMPORTANT NOTICE

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive. When used in this Base Prospectus, "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the EEA.

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 (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The 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 all information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, the Issuer and its subsidiaries (the "Group") and of the rights attaching to the relevant Notes.

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 the Irish Stock Exchange, 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 the Irish Stock Exchange will be published on the website of the Central Bank of Ireland at www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx and on the website of the Irish Stock Exchange at www.ise.ie.

This Base Prospectus contains information sourced from third parties – including Statistics Sweden, Euroclear Sweden AB, the Estonian Central Bank, the Association of Commercial Banks of Latvia, the Financial and Capital Market Commission (Latvia) and the Association of Lithuanian Banks – where indicated with references to third party sources herein. The 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.

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 "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.

IMPORTANT – EEA RETAIL INVESTORS

If the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes, from 1 January 2018 are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (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.

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, 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 REGULATIONS.

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1 Overview of the Programme

This overview should be understood as an introduction to this Base Prospectus, and highlights information presented in greater detail elsewhere in this Base Prospectus. This overview is not complete and does not contain all the information an investor should consider before investing in any 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 22.5(3) of Commission Regulation (EC) No. 809/2004 implementing Directive 2003/71/EC.

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

Issuer:	Swedbank AB (publ)
Arranger:	J.P. Morgan Securities plc
Dealers:	Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Danske Bank A/S, Deutsche Bank AG, London Branch, Goldman Sachs International, HSBC Bank plc, J.P. Morgan Securities plc, Merrill Lynch International, Morgan Stanley & Co. International plc, Natixis, Nomura International plc, Société Générale, Swedbank AB (publ), The Royal Bank of Scotland plc (trading as NatWest Markets), UBS AG and UBS Limited 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 an unsubordinated basis ("Unsubordinated 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. In the case of Subordinated Notes, the claims of Holders thereof shall be subordinated to the claims of certain other creditors to the extent described in Condition 3(b).
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:	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. Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, 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".
Redemption:	Notes may be redeemable at par or at such other higher redemption amount as may be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, as determined between the Issuer and the relevant Dealer.
Early Redemption:	Early redemption will be permitted for taxation reasons as described in "Terms and Conditions of the Notes — Early Redemption for Taxation Reasons" and, in the case of Subordinated Notes, upon the occurrence of a Capital Event as described in Condition 5(i) of the Terms and Conditions of the Notes, but will otherwise be permitted only to the extent specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement and subject to compliance with all applicable laws and regulations.

Substitution or Variation – Subordinated Notes:	In the case of Subordinated Notes, where the applicable Final Terms specify or, in the case of Exempt Notes, the applicable Pricing Supplement specifies that Condition 5(k) applies, if at any time a Capital Event occurs, the Issuer may, subject to obtaining the prior consent of the Swedish Financial Supervisory Authority (Sw: <i>Finansinspektionen</i>) (the “Swedish FSA”), substitute such Subordinated Notes for, or vary their terms so that they remain or, as appropriate, become, Qualifying Securities (as defined in Condition 5(k)), as further provided in Condition 5(k).
Interest:	Notes may be interest-bearing or non-interest bearing.
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 or offered to the public in a Member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive 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 the case of Subordinated Notes, 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(b) 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 Loss Absorption powers:	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:	<p>Application has been made to the Irish Stock Exchange for certain Notes issued under the Programme to be admitted to the Official List and to trading on the Main Securities Market.</p> <p>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.</p> <p>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.</p> <p>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.</p>
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 (as defined herein).
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, the EEA, the United Kingdom, Japan, the PRC and Hong

Kong. 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 Deutschland AG
Paying and Transfer Agent:	The Bank of New York Mellon S.A./N.V.
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 Group

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

The Group's performance is significantly influenced by the general economic conditions in the countries in which it operates, in particular its primary markets of Sweden, Estonia, Latvia and Lithuania, and, to a lesser degree, Norway. In 2013, Swedbank sold its operations in Russia and Ukraine, which had been severely hit by the economic downturn. The economic situation in all of the countries in which the Group operates has in recent years been adversely affected in various ways by weakening economic conditions and the turmoil in the global financial markets. These countries have in the past few years experienced periods of declining economic growth or recessions, increasing rates of unemployment, and, in the case of Estonia, Latvia and Lithuania (together, the "Baltic countries"), decreasing lending volumes as well as decreasing asset values. A more aggressive Russian foreign policy and the contemplated new Russian gas line in the Baltic Sea have raised the geopolitical risks in the region.

In addition to these trends, a significant risk facing the Swedish economy is the level of household debt, which has reached historically high levels, with Sweden's household debt-to-income ratio in excess of 180 per cent at the end of 2016 according to the Swedish Central Bank's (Sw: *Riksbanken*) forecast in December 2016. A shortage of housing, low interest rates and higher house prices have led to a rapid increase in the volume of home lending and, as a result, households are more sensitive to higher interest rates. Successive Swedish governments have implemented policies to attempt to mitigate these risks and secure financial stability, including decreasing Sweden's interest rate to below zero to counteract the risk of deflation, but such measures may be inadequate or have unpredictable consequences. Attempts by regulators to slow credit growth have been largely ineffective, in part because interest rates have continued to decrease. The introduction in June 2016 by the Swedish FSA of an amortisation requirement for new loans has led to a somewhat less active real estate market and the increase in housing prices, though still increasing, has begun to stabilise. The annual growth rate in household lending decreased from 8.7 per cent in May 2016 to 7.2 per cent in February 2017, but still significantly outpaces disposable income growth, which means that the household debt-to-income ratio continues to increase.

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

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

The global capital and credit markets have been characterised by volatility and disruption in recent years. During 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.

In March 2015, the European Central Bank (the "ECB") implemented an asset purchase programme, with monthly purchases of 60 billion Euro. The programme was extended in March 2016 when the ECB lowered its repo rate and deposit rate to negative rates. The monthly purchases under the asset purchase programme (also called quantitative easing, or "QE") were expanded to 80 billion Euro starting in April 2016. In December 2016, the ECB further extended the purchase programme to December 2017 at the current rate of 80 billion Euro per month, which was scaled down to 60 billion Euro per month as from April 2017. The measure is designed to stimulate growth in the Eurozone and raise inflation, which remains below the target rate. Overall the liquidity situation in the Eurozone has become more favourable due to the ECB's expansionary monetary policy. Credit growth has also started to increase. Stress tests on the European banks implemented during the summer of 2016 showed an improvement, indicating that the Scandinavian banks, which includes the Swedish banks, showed a strong capital position for both the baseline and adverse scenarios; institutions in Italy and certain financial institutions in Spain, Ireland and Austria had the weakest performances. A fragile Italian banking sector, with a large share of non-performing loans, remains a risk to the European financial markets.

Although the level of market disruption and volatility caused by the global financial crisis has abated to a certain extent, there are no assurances that these conditions will not recur or that similar events will not occur that have similar effects on the financial markets, in which case the Group may experience reductions in business activity, increased funding costs, decreased liquidity, decreased asset values, additional credit impairment losses and lower profitability and revenues. Any of the foregoing factors could have a material adverse effect on the Group's business, financial condition and results of operations.

Global markets and economic conditions have been negatively impacted since 2010 by market perceptions regarding the ability of certain EU Member States to service their sovereign debt obligations, including Greece, Ireland, Italy, Portugal and Spain. Although the uncertainty over the outcome of the EU governments' financial support programmes has decreased, the long term view for public finance in Europe still faces many challenges, including those related to demographic trends and the uncertain impact of the increase in immigration. Any loosening of the political ties within the EU, such as the UK leaving the EU, 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 of the EU contribute to the sense that geopolitical risks in Europe will still be an area of focus during 2017.

Concerns about credit risk (including that of sovereigns) and the Eurozone crisis are influenced by the outlook of the global economy generally, as well as perceptions of the strength of the European banking sector. A slow down in China's economy could negatively impact the global economy, including in Europe. Cooperation within the EU is facing growing challenges in the wake of the large increase of immigrants coming into Europe, sluggish European growth and the impact of the UK's decision to leave the EU. The UK government has declared its intention to serve notice under Article 50 of The EU Lisbon Treaty by the end of the first quarter of 2017 which they formally did on 29

March 2017. However, a prolonged lack of clarity on the details of the UK's exit from the EU, and uncertainty over trade arrangements, market access and legislative and regulatory frameworks, could result in continued market volatility and a deterioration in economic conditions in the UK with potential consequences in other markets. Furthermore, an election will be held in UK on 8 June 2017 which means the negotiations between UK and EU are delayed. The build-up to the French presidential elections in April and May led to increased uncertainty in the financial markets and the interest rate differential between French and German government bonds has been volatile lately, which is a sign that investors had difficulty positioning themselves for the French presidential election. Sluggish global growth and declining world trade due to growing protectionism could have a dampening impact on Swedish export industries.

Following an extended period of volatility and decreasing prices, oil prices stabilized in the fourth quarter of 2016 as the oversupply of oil declined and demand for oil continued to increase in emerging markets. Although prices rose to above USD 55 per barrel at the end of 2016, from USD 30 per barrel in the beginning of 2016, oil prices remain at historically low levels. As a result of declining prices in recent years, major oil producers significantly revised their investment plans for the coming years which is expected to gradually lead to a decline in oil supply, and despite recent price increases, remain reluctant to invest. Market fluctuations are expected to continue and there can be no assurance that this will not have a material adverse effect on the Group's customers.

The impact of these conditions could be detrimental to the Group and it could experience reductions in business activity, increased funding costs, decreased liquidity, decreased access to the wholesale funding markets, decreased asset values, additional credit impairment losses and lower profitability and revenues. Any of the foregoing factors could have a material adverse effect on the Group's business, financial condition and results of operations.

2.1.3 *Swedish households may be exposed to a risk of a drop in house prices and changes in regulations applying to mortgages.*

In recent years in Sweden, low interest rates, with real interest rates on mortgages in Sweden decreasing from 8.8 per cent to 1.4 per cent between 1995 and 2016, 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. The increase in immigration has affected demand for housing in the short term. Rapid urbanisation in Sweden has also contributed to an increase in demand for housing in metropolitan areas and other growth regions. Housing prices in Sweden increased by 10 per cent in the last three months of 2016 compared with the same period in 2015, after having more than tripled since 2000, according to Statistics Sweden. As prices have risen, buyers have taken on more mortgage debt, aided by low nominal interest rates and interest-only mortgages. Household debt rose to 182.5 per cent of disposable income at the end of 2016, according to the Swedish Central Bank's December 2016 forecast. About 60 per cent of the total household mortgage stock in Sweden has a floating interest rate, which means households are sensitive to changes in interest rates. A large number of Swedish households therefore may be exposed to the risk of a decrease in housing prices and the Group, through Swedbank Mortgage, is one of Sweden's leading mortgage lenders with a market share of 25 per cent as of 31 December 2016.¹

Furthermore, the Basel Committee on Banking Supervision (the "Basel Committee") has recommended an international standard of 35 per cent risk weight for residential mortgages. In 2014, the SFSA raised the risk weight on residential mortgages to 25 per cent from 15 per cent. In June 2016 the SFSA introduced tighter amortisation requirements. Annual repayment on mortgages of at

¹ Statistics Sweden (Sw: Statistiska Centralbyrån, SCB), 2016-12-31, www.scb.se.

least two per cent will be made on loans until they reach a 70 per cent loan to value ratio and thereafter annual repayments of at least one per cent will be paid until loans reach a 50 per cent loan to value ratio. Still, the credit expansion to the household sector is significantly outpacing growth in disposable income. Additional measures have not been taken, but the SFSA has proposed introducing a debt ceiling on the share of household disposable income. Discussions about reductions in interest deduction have intensified, but political consensus on this matter has not been reached. The Central Bank of Sweden has expressed concern about the housing market and the increase in household lending and has asked for additional macro prudential tools, such as decreased interest deduction, debt ratio of disposable income and lower mortgage share with flexible interest rates, to be implemented. If such macro prudential tools are too stringent, this could have a negative impact both on Swedish growth and on the real estate market. Any defaults could, in turn, have a material adverse effect on the Group's business, financial condition and results of operations. For further detail around the impact of the risk weight floor, see "– Swedbank or its financial institution subsidiaries may need additional capital and other eligible liabilities in the future to maintain capital adequacy ratios or for other reasons, and it may be difficult to obtain such capital and liabilities."

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

The Group is exposed to credit risk, or the risk that its borrowers may not repay their loans according to their contractual terms and that the collateral securing the payment of these loans may be insufficient. Further, there is a risk of declining market values that may affect the collateral securing the exposure. The Group maintains provisions for credit impairments to cover estimated probable incurred credit impairments inherent in its loan portfolio. The Group's allowance for credit impairments is based, among other things, on the Group's portfolio provision models and analysis of current and historical delinquency rates, loan management, macroeconomic factors and the valuation of the underlying assets, as well as numerous other management assumptions, which may prove to be inaccurate, resulting in further credit losses. Furthermore, the Group is exposed to concentration risk, which means credit risk relating to large individual exposures or affiliated borrowers as well as significant exposures to groups of counterparties whose probability of default ("PD") is driven by common underlying factors, such as sector, economy, geographical location, or type of instrument. The impact of the concentration risk could have a material adverse effect on the Group's business, financial condition and results of operations.

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

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

A significant portion, approximately SEK 132 billion, or 18 per cent at March 31, 2017, of the Group's external long-term financing, including maturing subordinated debt, matures in the next 12 months. Disruptions, uncertainty and/or increased volatility in the global capital markets may have a material adverse effect on the Group's ability to raise new financing. This could have a significant adverse effect on the Group's liquidity position, funding maturity profile and operating results. The availability of additional financing depends on a variety of factors, such as market conditions, the availability of credit generally and, specifically for borrowers in the financial services industry, the volume of trading activities, the Group's financial condition, its credit ratings and credit capacity, as well as any negative perception by the Group's customers or lenders of the Group's financial prospects if, for

example, the Group incurs large loan or other losses, experiences significant deposit outflows or if the level of the Group's business activity decreases due to a market downturn. The Group's access to funds may further be impaired if regulatory authorities impose additional regulatory capital requirements or if ratings agencies downgrade the credit ratings of Swedbank, such as in June 2014 when Standard & Poor's and Moody's placed Swedbank and other Nordic banks on negative outlook due to a reduction in anticipated government support. For more information about recent regulatory changes to capital requirements, see "Swedbank or its financial institution subsidiaries may need additional capital and other eligible liabilities in the future to maintain capital adequacy ratios or for other reasons, and it may be difficult to obtain such capital and liabilities" and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Capital Adequacy".

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

2.1.6 *For loans outside of Sweden, the Group may be unable to successfully foreclose on the collateral securing its consumer loans in the event of a default, and even if it is successful in its foreclosure efforts, it may be unable to successfully repossess the underlying assets, which may adversely affect its ability to recover the value of the collateral.*

If a borrower defaults under one of the Group's loans, the Group may foreclose on the loan and/or acquire title to the assets pledged as collateral, and thereafter, make substantial improvements or repairs in order to maximise the asset's realisable value. The borrower may contest enforcement of foreclosure or other compulsory measures, which may delay the foreclosure, or seek bankruptcy protection against the Group. If the borrower seeks bankruptcy protection, certain regulatory measures may preclude the Group from enforcing foreclosure or other remedies against the borrower. Foreclosure-related costs, high loan to value ("LTV") ratios or reductions in the value of the assets may prevent the Group from realising an amount equal to its loans upon foreclosure, and the Group may be required to record losses. Even if the Group were able to successfully foreclose on the collateral securing its exposures, the Group may hold title to pledged assets that it is unable to efficiently repossess or force a sale of, which would adversely affect the Group's ability to recover the value of the collateral securing its exposure. Furthermore, the Group may, as part of its foreclosure on business assets, end up acquiring collateral that is not core to the Group's business and in respect of which it lacks the required operational or management expertise or experience or may be prohibited from owning under applicable regulations. Managing such assets may be costly and may require additional expertise, personnel or outsourcing, options which may not be readily available or available at all. All of the above may adversely affect the Group's business, financial condition and results of operations.

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

The management of business, regulatory and legal risks requires, inter alia, guidelines and policies for the accurate registration and control of a large number of transactions and events. Such guidelines and policies may not always be adequate. Some methods used by the Group to estimate, measure and manage risk are based on perceived historical market behaviour. The methods may prove to be inadequate for predicting future risk exposure, which may differ from what is suggested by prior experience. Other methods for risk management are based on evaluation of information

regarding markets, customers or other information that is publicly known or otherwise available to the Group. Such information has not always been, and may not always be, correct, updated or correctly evaluated and may therefore be inadequate for the purpose of risk management, which may in turn have a material adverse effect on the Group's business, financial condition and results of operations.

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

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

2.1.9 *The Group is financially exposed to Ireland, Italy, Portugal and Spain, as well as European banks that may be negatively affected by adverse events in these countries. Further developments adversely affecting these countries or other similar developments in other Eurozone countries could have a material effect on the Group's financial position, results of operations and business.*

As of 31 December 2016, the Group had total credit exposures of SEK 496 million to Ireland, Italy, Portugal and Spain. It did not have any exposure to Greece. The exposures are classified into institutions, government and public sector entities. As a result of its exposure to these countries, the Group's financial position, results of operations and business could deteriorate following further developments adversely affecting these countries or similar developments in other Eurozone countries.

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

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

The effects of exchange rate fluctuations on the Group's financial statements are further detailed in "Risk Management – Market Risks – Currency Risk".

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

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

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

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

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

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

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

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

2.1.14 *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 2016, 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 also 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 the Holders are subordinated to the covered bondholders and hedge counterparties with respect to the covered bonds to the extent of the cover pool, and are not likely to ever have access to this cover pool should Swedbank become insolvent or be liquidated.

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

2.1.15 *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.

2.1.16 Swedbank or its financial institution subsidiaries may need additional capital in the future to maintain capital adequacy ratios and/or requirements on loss-absorbing capacity or for other reasons, and it may be difficult to obtain such capital.

The Group, on a consolidated basis, and Swedbank and its financial institution subsidiaries, on an individual basis, are required to maintain minimum capital adequacy ratios, loss-absorbing capacity levels and solvency levels prescribed by law in each of the jurisdictions in which the Group operates. If the capital of the Group is not sufficient to cover future losses or if the applicable minimum capital requirements increase, the Group may need to obtain additional capital and/or eligible liabilities in the future and it may not be able to obtain new equity capital or debt financing qualifying as regulatory capital on attractive terms, or at all.

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 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.

Capital and other requirements under the CRR

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

Under the CRR and the European Commission's delegated act, Swedish banks are required to publicly disclose their leverage ratios. According to the Proposals (as defined under the heading

“The Proposals” below), a binding leverage ratio and a binding net stable funding ratio are to be introduced. The Proposals are subject to negotiation by the European Parliament and the Council of the European Union and are expected to enter into force no earlier than 2019 (or 2017 in the case of the proposal for a new asset class of “non-preferred” senior debt).

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) to Swedish banks, in accordance with the EU rules. The four 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 and a further 2 per cent within the framework of Pillar 2. The countercyclical buffer for Swedish exposures is 2.0 per cent as of 19 March 2017 and is applicable to Swedish exposures for all banks within Pillar 1 according to CRD IV.

Since the CRR became law, the SFSA has had the authority to grant banks exemptions from the current Basel I floor. The SFSA however has decided that the Basel I floor is to be applied in Sweden. The buffer requirements in CRR/CRD IV, including the systemic risk buffers for the systemically important Swedish banks, are calculated without taking the Basel I floor into account. The floor is a parallel back-stop rule to define the lowest allowed level of own funds.

Supervisory authorities in Sweden and at the international level have made note of the major differences among the average risk weights generated by banks' internal models for credit risk under the internal rating-based (“IRB”) approach (an approach for calculating capital requirements for credit risk), especially as regards mortgage lending within the retail exposure class. In 2013, the SFSA introduced a risk weight floor for the Swedish mortgages as a supervisory measure under Pillar 2. The risk weight floor for Swedish mortgages was raised in 2014 from 15 to 25 per cent.

Since 2015, the SFSA has, in the course of its supervisory review and evaluation process (“SREP”), used standardised methods for assessing capital requirements within the framework of Pillar 2 for credit-related concentration risk, interest rate risk in the banking book, and pension risk.

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).

At present, Swedbank has sufficient CET 1 capital to meet its capital requirements. However, no assurances can be made that Swedbank will continue to hold this level of CET 1 capital, that the regulations around the capital requirements will not change in the future, or that the definition of what constitutes CET 1 capital will not change in the future. For example, the Proposals discussed below contain proposals to amend the current Pillar 2 requirements.

BRRD

The Bank Recovery and Resolution Directive 2014/59/EU (“BRRD”) has been implemented by Sweden through the Swedish Resolution Act (the “Resolution Act”). Swedbank is subject to the provisions of the Resolution Act.

To ensure that banks always have sufficient loss-absorbing capacity, the Resolution Act provides for the Swedish resolution authority, the Swedish National Debt Office (“SNDO”), to set minimum requirements for own funds and eligible liabilities (“MREL”) for each institution, based on, amongst other criteria, its size, risk and business model.

MREL/TLAC

The Financial Stability Board has issued a standard on Total Loss-absorbing Capacity (“TLAC”), which sets corresponding requirements for global systemically important banks. Swedbank is not a global systemically important bank. The TLAC requirement is expected to be phased in starting from 1 January 2019.

However, discussions are under way in the EU regarding the implementation of the TLAC standard in EU legislation. In particular, the European Commission has proposed to incorporate TLAC into the capital requirements framework, as an extension to the own funds requirements and as part of the Proposals discussed below. Although TLAC only applies to global systemically important banks, in the Proposals, the European Commission has proposed that other banks in an EU Member State, like Swedbank, be subject to a firm-specific MREL regime under which they would be required to issue a sufficient amount of eligible instruments to absorb expected losses in resolution and to recapitalise the institution or the surviving part thereof.

On 23 February 2017 the SNDO published a Decision Memorandum (the “Decision Memorandum”) in which the SNDO set out its policy positions with respect to its plans for implementing the MREL requirement for Swedish banks. In the policy positions set out in the Decision Memorandum, the SNDO has chosen, where the current rules allow, to take account of the Proposals presented by the European Commission. This is in order to avoid, as far as possible, any major revisions to the rules in the near future and to facilitate adaptation to future rule changes. Moreover, the SNDO does not intend to apply the existing TLAC standard directly to Swedish banks, but considers that the Proposals presented by the European Commission essentially satisfy the substance of the TLAC standard within the EU. If the negotiations within the EU should result in differences between the EU rules and the TLAC standard, whether substantive or in relation to phasing-in, the SNDO will comply with the provisions of the EU regulations as implemented to Swedish law.

Under the SNDO’s Decision Memorandum, the MREL requirement for systemically important banks in Sweden, such as Swedbank, will be the sum of a loss absorption amount and a recapitalisation amount. The loss absorption amount will equal the current total capital requirement without taking into account the Basel 1 floor, excluding the combined buffer requirement, the Pillar 2 systemic risk surcharge and the Swedish mortgage risk weight floor between 15 per cent and 25 per cent in Pillar 2. The recapitalisation amount will equal the total current capital requirement excluding the combined buffer requirement but including the full Pillar 2 requirements. The loss absorption amount can be met with own funds instruments (CET 1, Additional Tier 1 and Tier 2), while the recapitalisation amount can only be met with eligible liabilities. The effect of this principle is that banks will not be able to count all of their capital towards compliance with MREL.

In the Decision Memorandum, the SNDO communicated that it intends to make the first decisions for the Swedish banks’ MREL requirements in the last quarter of 2017, after the SREP for 2017 is completed, and having consulted the relevant resolution colleges. Swedish banks would then be required to comply with the MREL requirement starting from 1 January 2018.

Moreover, the SNDO has introduced a requirement that MREL-eligible liabilities must be subordinated to senior liabilities, whether contractually, by statute or structurally. This subordination requirement will have major consequences for Swedish banks, requiring the issue of new subordinated liabilities that meet the requirements of the Decision Memorandum (and which may carry higher financing costs than the liabilities which they replace), and it is currently unclear how Swedish banks subject to the MREL subordination requirement, including Swedbank, will satisfy that requirement (for example, a bank which wishes to rely on statutory subordination may seek to rely on the new category of senior “non-preferred” debt envisaged as part of the Proposals, although that will first require legislative changes in Sweden). As a result, the SNDO has provided that Swedish

banks have to meet their recapitalisation amount entirely with subordinated instruments from 2022 onwards. The SNDO has stated that it will monitor a bank's issue volumes in the phasing-in period to ensure a reasonable pace of the adaptation to the subordination requirement. Subordination requirements are also addressed in the Proposals, which are subject to amendment, and their outcome will therefore also be relevant.

The Proposals

On 23 November 2016, the European Commission published legislative proposals for amendments to the CRR, the CRD IV, the BRRD and the Single Resolution Mechanism Regulation and proposed an amending directive to facilitate the creation of an asset class of "non-preferred" senior debt (the "Proposals"). The Proposals cover multiple areas, including the Pillar 2 framework, the leverage ratio, mandatory restrictions on distributions, permission for reducing own funds and eligible liabilities, macroprudential tools, a category of "non-preferred" senior debt, the MREL framework and the integration of the TLAC standard into EU legislation as described above. The Proposals are to be considered by the European Parliament and the Council of the European Union and therefore remain subject to change. The final package of legislation may not include all elements of the Proposals and new or amended elements could be introduced throughout the course of the legislative process. Until the Proposals are in final form, it is uncertain how the Proposals will affect Swedbank or holders of the Notes.

The Basel Committee

The Basel Committee is working on several policy and supervisory measures that aim to enhance the reliability and comparability of risk-weighted capital ratios. The measures include revised standardised approaches for credit risk and for operational risk, a set of constraints on the use of internal model approaches for credit risk, including exposure-level, model-parameter floors, a leverage ratio minimum requirement and aggregate capital floors for banks that use internal models based on the proposed revised standardised approaches.

In particular, in December 2015 the Basel Committee published its second consultative document on a revised standardised approach for credit risk. The document proposes, among other things, reducing reliance on external credit ratings, increasing risk sensitivity, and reducing national discretions.

In 2014 the Basel Committee issued a final regulatory text for a new standardised approach for measuring counterparty credit risk exposures, which is included in the Proposals. Moreover, in January 2016 the Basel Committee completed the Fundamental Review of the Trading Book, a comprehensive revision of the capital adequacy standard for market risk, which is also included in the Proposals. The new standard entails substantial revisions to both the standardised approach and the internal models approach. Furthermore, in March 2016, the Basel Committee published a proposal for a new standardised measurement approach for operational risk, which would replace all existing approaches for operational risks, including the Advanced Measurement Approach, which is the internal model-based approach for measuring operational risk in the current framework.

In December 2014, the Basel Committee issued a consultative document on the design of a capital floor framework. The framework would be based on the proposed revised standardised approaches, to limit the risk that capital requirements are too low due to the use of internal models. The new floor framework would replace the current capital floor, based on the Basel I standard, for banks using internal models.

In March 2016, the Basel Committee proposed constraints on the use of internal model approaches for credit risk. In particular, the Basel Committee proposed (i) to remove the option of using the IRB

approaches for certain exposures, (ii) to adopt exposure-level, model-parameter floors and (iii) to provide greater specification of parameter estimation practices.

The Basel Committee had intended to finalise all such revisions to the Basel III framework, including the calibration of the aggregate capital floors framework and the leverage ratio minimum requirement, at or around the end of 2016. However, on 3 January 2017, the Basel Committee announced that it had postponed finalisation until “the near future”. On 2 March 2017, the Basel Committee reiterated its commitment to finalise the revisions.

There is a high degree of uncertainty with regards to the Basel Committee’s final calibration of the proposed reforms, and subsequently, how and when they will be implemented in the EU and in Sweden. It is thus too early to draw firm conclusions regarding the impact of the future capital requirements.

Swedish Capital Requirements

In May 2016, the SFSA adopted revised requirements for Swedish banks calculating risk weights for capital requirements using the IRB approach, especially with regard to corporate exposures. The SFSA applied the revisions in its SREP for 2016, which the SFSA finalised at the end of September 2016. As a result, the revisions began to affect Swedbank’s capital requirements in the fourth quarter of 2016. The revisions require banks (i) to assume a larger proportion of economic downturn in the time periods used for estimating probability of default, which increased Swedbank’s CET 1 capital requirement by 0.5 percentage points and (ii) to use a so-called maturity floor, which has increased Swedbank’s CET 1 capital requirement by 0.2 percentage points.

Accounting Standards

According to International Accounting Standard (“IAS”) 19 (Employee Benefits), the valuation of the pension provision for the Group’s defined benefit pension schemes should be based on actuarial valuations. The actuarial valuations are based on a number of assumptions that are highly susceptible to change from period to period, which creates volatility in the estimated pension liabilities and, in turn, creates volatility in CET 1 capital.

International Financial Reporting Standard (“IFRS”) 9 (Financial Instruments) is an accounting standard that has been issued by the International Accounting Standards Board (the “IASB”), but not yet adopted by the Group, and its impact on financial reports is still being evaluated. IFRS 9 will be effective from 1 January 2018 and it is expected that the new impairment requirements, which require the implementation of an expected credit loss model, will have the greatest impact. The implementation of IFRS 9 is expected to increase impairment provisions and, correspondingly, reduce CET 1 capital. However, transitional arrangements are part of the Proposals. Until these arrangements are finalised it is not possible to determine the extent of the impact of the implementation of IFRS 9 on CET 1 capital. The forthcoming credit loss model is expected to involve a high degree of judgment and subject to assumptions that could be volatile from period to period, which could create volatility in CET 1 capital once IFRS 9 is implemented.

IFRS 16 (Leases) is another accounting standard that has been issued by the IASB, but not yet adopted by the Group, and the impact on financial reports is still being evaluated. IFRS 16 will be effective from 1 January 2019 (pending EU approval) and eliminates the distinction between finance leases and operating leases for lessees. Consequently, Swedbank expects the most significant related impact will result from changes in accounting for agreements where it acts as lessee in operating leases, as IFRS 16 will require both a “right of use asset” and a lease liability for future lease payments to be recognized on the balance sheet. However, the impacts of adopting the

standard are dependent on the transition option elected by the Group and the conclusions from regulators on how the right of use asset should be treated.

As a consequence of the ongoing effects of IAS 19 and of the changes in the regulatory framework and uncertainty relating to their implementation, the Group may need to obtain additional capital in the future, and may not be able to obtain new equity capital or debt financing qualifying as regulatory capital 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.

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.

2.1.17 The Group may see a downgrade of parts of the credit portfolio, resulting in a negative migration in the risk classification system.

The Group could see a downgrade in parts of the credit portfolio, resulting in a negative migration in the risk classification system. The Group uses through-the-cycle estimates of PD for the purpose of calculating the regulatory capital requirement, but there is still a risk that such migration could result in a higher regulatory capital requirement, which could lead to a need to obtain additional capital. In addition, the Group values assets and assesses the capital adequacy position of its banking subsidiaries using financial models based on assumptions and estimates taking into account the then prevailing market conditions which may prove inadequate if market conditions deteriorate. Furthermore, changes in foreign exchange rates, decreases in collateral ratios as a consequence of the deterioration of the market value of assets pledged as collateral, or deterioration in the economic environment, among other things, could result in further provisioning and/or an increase in REA, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

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

The Group may be adversely affected by governmental responses to market disruptions in the countries in which it operates. As a result of the financial crisis in 2008 and subsequent government intervention, there has been, and there is expected to continue to be, a substantial increase in governmental policy responses to market disruptions, including reductions in public spending and the imposition of further fiscal austerity measures, and changes in monetary and interest rate policies.

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

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

The Group maintains a number of defined benefit pension schemes and pension schemes based on the salaries of employees at the time of retirement for former and current employees. Beginning in 2016, these pension schemes are only available to then current employees in Sweden and are not available for new employees. Pension risk is the risk that the liabilities of the Group's various defined benefit pension schemes, which are long-term in nature, will be higher than the liabilities projected based on current assumptions. Major assumptions include those pertaining to salary increases, mortality, discount rates and inflation. Risk also arises from the plan assets because the value of these asset portfolios and the returns from them may be less than expected, especially if equity prices, interest rates, counterparty risk (including sovereigns) or inflation are subject to significant changes. Actual outcome might also differ from current assumptions. These changes or differences, as expressed by an actuarial loss, could be significant and could have a negative impact on the Group's results of operations.

The Group makes contributions to the schemes so that the plan assets cover obligations according to Swedish legal requirements. If a deficit arises the Group could be obliged to, or may choose to, make additional contributions to the schemes. The rules in IAS 19, as discussed in 2.1.16, regarding defined benefit pension plans could create volatility in the estimated pension liability and thus to Swedbank's equity through other comprehensive income.

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

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

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

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

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

- infrastructure issues which are related to hardware, software, network and communication failures, power supply and cooling systems;
- external dependencies where the Group's operations are dependent on third parties such as stock exchanges, clearing houses, external information providers and, software vendors' maintenance providers;
- internal issues such as deterioration in the quality of IT development, support and operations processes, and a high turnover of employees or organisational changes, resulting in an inadequate number of personnel to handle the increasing complexity of operations; and
- security issues: the Group's operations rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. The Group's computer systems, software and networks may be vulnerable to unauthorised access, computer viruses or other malicious code and other external attacks or internal breaches that could have a security impact. If one or more of such events occur, this potentially could jeopardise the Group's, or the Group's clients' or counterparties', confidential and other information. The Group may be required to spend significant additional resources to modify its protective measures or to investigate and remediate vulnerabilities or other exposures, and it may be subject to litigation and financial losses as well as reputational risks that are either not insured against or not fully covered through any insurance maintained by the Group.

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

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

In recent years, the Group has, on occasion, experienced system disruptions that have affected customer access to services, such as the malfunctions in mobile banking and on Swedbank's internet website on 20 June and 27 December 2016, resulting in many customers not having access to the system. On 1 February 2017, an incident in the card processing system required an implementation of a temporary point of sale limit for a twenty-four-hour period. Close to 90 per cent of all card transactions were approved during this period.

Problems encountered with respect to internet reliability may be substantial impediments to internet banking and IT services provided by critical third parties may fail to be delivered as agreed, both of which may result in a less stable IT operational base, which may in turn have an adverse effect on the Group's business and results of operations.

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

As for all major financial institutions, Swedbank's activities have been, and could continue to be, subject to an increasing risk of cyber-attacks, the nature of which is continually evolving. Digital developments, together with Swedbank's size and market share, make it a potential target for cybercrime, the cost of which is rising significantly in Europe but at a slower rate in the Nordic region. Cybercrime attempts are primarily related to the Group's internet bank users and include physical identity theft, unauthorised access to privileged and sensitive customer information, including internet bank credentials as well as payment and credit card information. The Group has experienced denial of service attempts against Swedbank's infrastructure on a reoccurring basis, causing minor impacts on availability of services. The Group also expects to face regulatory requirements going forward in relation to cybersecurity, such as the new EU General Data Protection Regulation or the European Banking Authority's (the "EBA") anticipated regulation on strong customer authentication.

The Group has continued to invest in building systems and defences to address threats from cyber-attacks. However, the Group could continue to experience security breaches or unexpected disruptions to its systems and services in the future. Such security breaches and unexpected disruptions could in turn result in liability to the Group's customers and third parties and have an adverse effect on the Group's business, reputation, financial condition and results of operations.

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

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

2.1.24 The Group is exposed to risks related to money laundering activities and terrorist financing and compliance with anti-money laundering and anti-terrorism financing rules involves significant cost and effort.

The Group is subject to rules and regulations regarding money laundering and the financing of terrorism. In general, the risk that banks will be subjected to or used for money laundering and terrorist financing has increased worldwide. The risk of money laundering depends on the market in which the Group operates. High turnover of employees, challenges in consistently implementing related policies, routines and technology systems, and the general business conditions in the different markets mean that the risk of the occurrence of money laundering is higher in the Baltic countries. Over the past year, Swedish regulators have been especially focused on anti-money laundering procedures, and as a result, Swedbank has further increased concentration on these issues internally, particularly in regards to "Know-Your-Customer" procedures. The Group requires any violations to be reported in its regular compliance report. In addition, suspicious activity reports are filed with the local Financial Intelligence Unit by local Money Laundering Reporting Officer according to local procedures. During the fourth quarter of 2016, Swedbank Latvia entered into an agreement with the Financial and Capital Market Commission (the "FCMC"), which includes a number of measures to improve Swedbank's internal control systems, after an audit by the FCMC in the spring of 2016 identified deficiencies in Swedbank Latvia's internal control systems, processes and documentation. As part of the settlement, Swedbank also paid a fine of 1.36 million Euros. Although the Group believes that its current policies and procedures are sufficient to comply with applicable rules and regulations (with the exception of Latvia, where it is implementing measures to address the deficiencies identified by the FCMC), it cannot guarantee that its Group-wide anti-money

laundering and anti-terrorism financing policies and procedures completely prevent instances of money laundering or terrorism financing. Any violation of anti-money laundering or terrorist financing rules may have severe legal and reputational consequences for the Group and may, as a result, have a material adverse effect on the Group's financial condition and results of operations.

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

As the Group expands the scope of its businesses and its client base, the Group increasingly implements policies on corporate governance, including conflicts of interest, on a Group-wide level. Swedbank continuously address potential conflicts of interest and compliance with applicable laws by training employees and strengthening the internal conflicts of interest framework. However, appropriately identifying and dealing with conflicts of interest is complex, in part because internal breaches of policy can be difficult to discover. As a result, conflicts of interest might damage the Group's reputation and there may be a reluctance on the part of clients to enter into transactions where there is the possibility of a conflict, or if the Group is seen as failing to identify, or deal appropriately with, conflicts of interest.

In the autumn of 2015, there was media coverage of certain transactions by some of Swedbank's senior executives which were perceived as potential conflicts of interest issues. In December 2015, Swedbank was notified by the SFSA that they were conducting an investigation into those transactions to analyse how Swedbank managed any conflicts of interest. In January 2016 Swedbank provided the SFSA with the requested information and in April 2016 the SFSA requested additional information on the matter. On 11 November 2016, Swedbank received the preliminary findings of the SFSA and Swedbank submitted its response on 5 December 2016. On 20 February 2017, the SFSA notified Swedbank of its intention to start a sanction process and gave Swedbank the final opportunity to respond to the alleged non-compliance, which Swedbank did on 13 March 2017. There can be no assurance as to the outcome of the investigation. The publication by the SFSA of adverse findings or the imposition of any sanctions, including monetary fines, may have a material adverse effect on the Group's reputation or its business or results of operations.

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

In the normal course of business, the Group enters into various commercial agreements with companies related to the banking industry. The Group has co-operation agreements with associated independent savings banks and partly-owned 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.

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

The Group is subject to significant competition in the markets in which it operates. Competition may increase in some or all of the Group's markets as a result of legislative, regulatory, technological or other factors. Increased competition could cause the Group to lose business or compel it to price products and services on less advantageous terms, or otherwise have an adverse effect on its business, financial condition, results of operations and prospects. Digitisation continues at a brisk pace and customers are increasingly banking through digital channels rather than visiting a branch,

which is placing higher demands on the stability of IT systems and on the banking sector to adapt products and distribution channels. In addition, increased competitor participation in the financial sector generally in the Group's principal markets may have an impact on the competitive landscape in such markets and on the way in which banks in those markets conduct their operations. At present, however, it is difficult to predict what the effects of this increased competitor participation will be or how it will differ from jurisdiction to jurisdiction, should it materialise. The Group may experience stronger competition and greater pressure on profit margins. These and other changes in the competitive landscape could adversely affect the Group's business, financial condition, results of operations, liquidity, markets and/or prospects.

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

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

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

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

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

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

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

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

In particular, in December 2013, the U.S. Board of Governors of the Federal Reserve System (the “U.S. Federal Reserve”) and four other U.S. federal regulatory agencies issued final regulations implementing the Volcker Rule, which restricts banking entities (including Swedbank and all of its global affiliates) from engaging, as principal, in proprietary trading and from sponsoring or holding ownership interests in or having certain relationships with hedge, private equity or other similar funds (“covered funds”), subject to certain exceptions and exclusions. The conformance period for the Volcker Rule ended on 21 July 2015, although the U.S. Federal Reserve extended the conformance period to July 21 2017 for investments in and relationships with covered funds that were in place prior to 31 December 2013. Financial institutions subject to the rule, such as Swedbank, must bring their activities and investments into compliance, and must implement a specific compliance programme. Further implementation efforts may be necessary based on subsequent regulatory interpretations, guidelines or examinations.

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

Although some of the required rules and regulations are still in proposed form, are yet to be proposed or are subject to extended transition periods, the majority of rules and regulations have been finalised and have resulted in, or are anticipated to result in, additional costs and the imposition of certain limitations on Swedbank's business activities. The recent change in administration in the United States adds to the uncertainty about the complete scope of the Dodd-Frank Act and other U.S. regulations, any changes to which could impact Swedbank's business activities and/or the value or liquidity of the Notes.

2.1.30 The full scope and consequences of new derivatives regulations are 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 in European OTC derivatives markets and includes measures to require the clearing of certain OTC derivatives contracts through central clearing counterparties and to increase the transparency of OTC derivatives transactions. EMIR applies to OTC derivatives contracts falling within its scope entered into by financial counterparties such as Swedbank, regardless of the identity of the other counterparty to the contract. In connection with EMIR, various regulatory and implementing technical standards have now come into force, but certain critical technical standards remain outstanding, such as the regulatory technical standards on margin requirements for uncleared derivatives, which are yet to be finalised. Similarly, although regulatory technical standards subjecting certain classes of OTC derivatives to the clearing obligation have already been published, it is possible that the European Securities and Markets Authority ("ESMA") may publish further regulatory technical standards subjecting additional classes of OTC derivatives to the clearing obligation. Prospective investors should be aware that any regulatory changes arising from EMIR could in due course significantly increase the cost for Swedbank of entering into or taking any other action in relation to derivative contracts and may adversely affect their ability to engage in derivative contracts.

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

Many of the key regulations implementing Title VII have recently become effective or are in final form, although some continue to be in a proposed form not yet finalised by the appropriate regulator. Many of the regulations implementing Title VII have become effective; however, the interpretation and potential impact of these regulations is not yet entirely clear, and certain other key regulations are yet to be finalised. Once implemented, 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.

The above could potentially adversely affect Swedbank's earnings and the need to comply with new regulations may detrimentally affect the Group's business by increasing costs and limiting the volume and type of liquid assets the Group can invest in. Swedbank is currently considering the impact of EMIR and Title VII on its business and monitoring the regulatory developments. Although many key regulations implementing EMIR and Title VII have been finalised, some are not yet effective or have otherwise been delayed, or may be subject to further interpretations or modifications, and as such, a full assessment of the exact effects cannot be made at this time.

2.2 Risks Relating to the Notes

2.2.1 Risks Relating to the Market Generally

2.2.1.1 The Secondary Market Generally

The Notes may have no established trading market when issued, and one may never develop. 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 the 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.

2.2.1.2 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 could adversely affect the market value of the Notes.

2.2.1.3 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.

2.2.1.4 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.

2.2.1.5 Credit Ratings May Not Reflect All Risks

The Notes are expected to be assigned the following ratings: AA- (Unsubordinated Notes with a maturity of more than one year), A- (Subordinated Notes) and A-1+ (Unsubordinated Notes with a maturity of less than one year) by Standard & Poor's; Aa3 (Unsubordinated Notes), Baa1 (Subordinated Notes) and P-1 (short term) by Moody's; and AA- (Unsubordinated Notes with a maturity of more than one year), A+ (Subordinated Notes) and F1+ (Unsubordinated 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 EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings is set out on the front cover of this Base Prospectus and if a Tranche of Notes is rated such rating will be disclosed in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

2.2.2 General Risks Relating to Notes

2.2.2.1 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 of the Notes and without regard to the interests of particular holders of the Notes, 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.

2.2.2.2 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(b) 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 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.

2.2.2.3 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 at or in excess of the minimum Specified Denomination such that its holding amounts to 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 at or in excess of the minimum Specified Denomination such that its holding amounts to 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.

2.2.2.4 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.

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

On 2 July 2014, the BRRD entered into force. The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD has been applied by EU Member States from 1 January 2015, except for the general bail-in tool (see below) which applies from 1 January 2016. The BRRD was implemented in Sweden on 1 February 2016 through the Resolution Act. The BRRD contains different resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business – which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution – which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control), which may limit the capacity of the firm to meet its repayment obligations; (iii) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in – which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution (which write-down may result in the reduction of such claims to zero) and to convert certain unsecured debt claims (including the Notes) to equity or other instruments of ownership (the "general bail-in tool"), which equity or other instruments could also be subject to any future cancellation, transfer or dilution.

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.

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

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 capital instruments such as 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 Subordinated Notes upon any such conversion into equity may also be subject to any future cancellation, transfer or dilution.

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

Under the terms of the BRRD, any application of the general bail-in tool and, in the case of Subordinated Notes, 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 of Notes pursuant to the exercise of the general bail-in tool is less favourable than would have been the case under such hierarchy in normal insolvency proceedings, a Holder has a right to compensation under the BRRD based on an independent valuation of the firm (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 powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Holders of the Notes may be subject to the application of the general bail-in tool and, in the case of Subordinated Notes, 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.

2.2.3 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:

2.2.3.1 Notes Subject to Optional Redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may 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.

Notes will be redeemable at the option of the Issuer for tax reasons as described in Condition 5(b).

Subordinated Notes may also be redeemable in certain circumstances, see “*The Issuer may redeem Notes prior to maturity upon the occurrence of a Tax Event, a Withholding Tax Event or a Capital Event*” and “*Subordinated Notes: redemption of the Subordinated Notes is subject to the prior consent of the Swedish FSA and Holders have no right to request the redemption of the Subordinated Notes*”.

Early redemption of Subordinated Notes is subject to the prior approval of the Swedish FSA.

2.2.3.2 *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. The conversion of the interest basis may affect the secondary market in, and the market value of, such Notes where the change of interest basis results in a lower interest return for Noteholders. 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 the Notes and could affect the market value of an investment in the relevant Notes.

2.2.3.3 *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 Mid-Swap 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.

2.2.3.4 *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.

2.2.3.5 *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(b) of the Terms and Conditions of the Notes, 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.

2.2.3.6 Events of Default in Relation to Subordinated Notes

The only Events of Default in relation to Subordinated Notes are set out in Condition 6(b). If a Subordinated Note has been declared due and payable under Condition 6(b), the Trustee may institute such steps, including the obtaining of a judgment against the Issuer for any amount due in respect of the relevant Subordinated 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 Subordinated Notes become due and payable under Condition 6(b), the Issuer shall, except with the prior consent of the Swedish FSA, only be required to make such payment after it has been declared bankrupt (Sw: *konkurs*) or put into liquidation (Sw: *likvidation*).

2.2.3.7 The Issuer may redeem Notes prior to maturity upon the occurrence of a Tax Event, a Withholding Tax Event or a Capital Event

Where the applicable Final Terms (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 the case of Subordinated Notes) in each case subject to obtaining the prior consent of the Swedish FSA, redeem the relevant Notes upon the occurrence of a Tax Event (as defined in Condition 5(b)) at their principal amount, together with accrued interest (if any) thereon.

The Issuer may also, at its option, but (in the case of Subordinated Notes) subject to obtaining the prior consent of the Swedish FSA, redeem the relevant Notes upon the occurrence of a Withholding Tax Event (as defined in Condition 5(b)) 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(i) applies, the Issuer may in certain circumstances, at its option, but in each case subject to obtaining the prior consent of the Swedish FSA, redeem the relevant Subordinated Notes upon the occurrence of a Capital Event (as defined in Condition 5(i)) at 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.

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

2.2.3.8 Subordinated Notes: redemption of the Subordinated Notes is subject to the prior consent of the Swedish FSA and Holders have no right to request the redemption of the Subordinated Notes

Subordinated Notes may contain provisions allowing the Issuer to call them after a minimum period of, for example, five years, or even earlier (and at any time) upon the occurrence of a Capital Event

or a Tax Event. If the Issuer considers it favourable to exercise any such a call option, the Issuer must first obtain the prior consent of the Swedish FSA.

Holders of such Notes have no rights to call for the redemption of such Notes and should not invest in such Notes in the expectation that such a call will be exercised by the Issuer. In order for such Notes to be redeemed, the Swedish FSA 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 Swedish FSA may only give its approval if certain conditions have been met in relation to changes in tax law or regulatory capital treatment of such Notes. There can be no assurance that the Swedish FSA will permit such a call or that the Issuer will exercise such a call.

Holders of Subordinated Notes have no rights to call for the redemption of such Notes and should not invest in such Notes in the expectation that a call option will be exercised by the Issuer. Holders of such Notes should be aware that they may be required to bear the financial risks of an investment in such 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 Subordinated Notes.

2.2.3.9 In certain circumstances, the Issuer can substitute or vary the terms of Subordinated Notes

Where the applicable Final Terms specify that Condition 5(k) applies, if at any time a Capital Event occurs, the Issuer may, subject to obtaining the prior consent of the Swedish FSA (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 Subordinated Notes for, or vary the terms of the relevant Subordinated Notes and/or the terms of the Trust Deed (as defined under "Terms and Conditions of the Notes") so that they remain or, as appropriate, become, Qualifying Securities (as defined in Condition 5(k)) as further provided in Condition 5(k). The Terms and Conditions of such substituted or varied Subordinated Notes may have terms and conditions that contain one or more provisions that are substantially different from the terms and conditions of the original Subordinated Notes, provided that the relevant Subordinated Notes remain or, as appropriate, become, Qualifying Securities in accordance with the Terms and Conditions. While the Issuer cannot make changes to the terms of Subordinated Notes that, in its reasonable opinion, are materially less favourable to the holders of the relevant Subordinated Notes as a class, no assurance can be given as to whether any of these changes will negatively affect any particular holder. In addition, the tax and stamp duty consequences of holding such substituted or varied Subordinated Notes could be different for some categories of Holders from the tax and stamp duty consequences for them of holding the Subordinated Notes prior to such substitution or variation.

2.2.3.10 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 Subordinated Notes or on the amount of securities which the Issuer may issue which ranks pari passu with any class of Subordinated Notes. As a result this may reduce the amount recoverable by Holders of Subordinated Notes on the bankruptcy or any liquidation of the Issuer.

2.2.3.11 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 proceeds from an offer of those Notes specifically for projects and activities that promote climate-friendly and other environmental purposes ("Green Projects"). Prospective investors should have

regard to the information in 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 Notes together with any other investigation such investor deems necessary. In particular no assurance is given by the Issuer or the Dealers that the use of such proceeds for 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 such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses 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 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. As at the date of this Base Prospectus, the Issuer has not published a framework relating to an investment in Green Projects although the Issuer intends to publish such framework prior to the issuance of any Notes which specify that the relevant proceeds will be used for Green Projects.

No assurance or representation is given 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 and in particular with any Green Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, 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 Notes. 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 Notes. 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 Notes 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 Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply the proceeds of any Notes so specified for Green Projects in, or substantially in, the manner described in 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) 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 will not constitute an Event of Default under the Notes. Any such event or failure to apply the proceeds of any issue of Notes 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 Notes 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 Notes and also potentially the value of any other Notes 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.

2.2.4 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:

2.2.4.1 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 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 purposes such as capital contributions, known as capital account items, is generally only permitted upon obtaining specific approvals from the relevant authorities on a case-by-case basis and 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 from 1 October 2016, the Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund, there is no assurance that the PRC government will liberalise control over cross-border Renminbi remittances in the future 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 its obligations under the Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

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

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. While the People's Bank of China (the "PBOC") has entered into agreements on the clearing of RMB business (the "Settlement Agreements") with financial institutions in a number of financial centres and cities (the "RMB Clearing Banks"), including but not limited to Hong Kong, and are in the process of establishing RMB clearing and settlement mechanisms in several other jurisdictions, the current size of RMB denominated financial assets outside the PRC is limited.

Renminbi business participating banks do not have direct Renminbi liquidity support from PBOC. The relevant Renminbi Clearing Bank only has access to onshore liquidity support from PBOC for the purpose of squaring open positions of participating banks for limited types of transactions. The relevant Renminbi 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 the offshore market to square such open positions.

That the offshore Renminbi market 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 offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of the Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service the Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

2.2.4.3 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

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).

2.2.4.4 Gains on the transfer of the Renminbi Notes may become subject to income taxes under PRC tax laws

Under the PRC Enterprise Income Tax Law, the PRC Individual Income Law and the relevant implementation rules, as amended from time to time, any gain realised on the transfer of Notes denominated in Renminbi by non-resident enterprise or individual holders may be subject to enterprise income tax ("EIT") or PRC individual income tax ("IIT") if such gain is regarded as income derived from sources within the PRC. While the PRC Enterprise Income Tax Law levies EIT at the rate of 20 per cent of the gains derived by such non-PRC resident enterprise Noteholders from the transfer of the Notes, its implementation rules have reduced the enterprise income tax rate to 10 per cent. In accordance with the PRC Individual Income Tax Law and its implementation rules (as amended from time to time), any gain realised by a non-PRC resident individual Noteholder from the transfer of the Notes may be regarded as being sourced from the PRC and thus be subject to IIT at a

rate of 20 per cent of the gains derived by such non-PRC resident individual Noteholder from the transfer of the Notes. However, there remains uncertainty as to whether the gain realised from the transfer of Notes denominated in Renminbi would be treated as income derived from sources within the PRC and be subject to PRC tax. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and their respective implementation rules. If such gains are determined as income sourced in the PRC by the relevant PRC tax authorities, (i) the non-PRC resident enterprise Noteholders may be subject to EIT at the rate of 10 per cent of the gains derived by such non-PRC resident enterprise Noteholders and (ii) the non-PRC resident individual Noteholders may be subject to IIT at the rate of 20 per cent of the gains derived by such non-PRC resident individual Noteholders, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC resident enterprise or individual resident holders of Notes denominated in Renminbi reside that reduces or exempts the relevant EIT or IIT, the value of their investment in Notes denominated in Renminbi may be materially and adversely affected.

Investors in Notes denominated in Renminbi should consult their own tax advisers with regard to the application of PRC tax laws to any purchase, holding or sale of such Notes.

2.2.4.5 Investment in Notes denominated in Renminbi is subject to interest rate risks

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.

2.2.4.6 Investment in the Notes 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 and international political and economic conditions and by many other factors. In August 2015, the PBOC implemented changes to the way it calculates the midpoint against the U.S. Dollar to take into account market-maker quotes before announcing the daily midpoint. This change, among others that may be implemented, may increase the volatility in the value of the Renminbi against other currencies. All payments of interest and principal with respect to RMB Notes will be made in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments in U.S. dollar terms may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of investment in U.S. dollar or other applicable foreign currency terms will decline.

2.2.4.7 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, the Issuer can make payments under the Notes in U.S. dollars

There can be no assurance that access to Renminbi for the purposes of making payments under the Notes 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 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 Notes), the Issuer is unable to pay interest or principal in Renminbi in Hong Kong, the terms of the Notes 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.

2.2.4.8 Remittance of Renminbi into and outside the PRC

The following is a general description of certain currency controls in the PRC and is based on the law and relevant interpretations thereof in effect as at the date of this Base Prospectus, all of which are subject to change, and does not constitute legal advice. It does not purport to be a complete analysis of all applicable currency controls in the PRC relating to the Notes denominated in Renminbi. Prospective holders of the Notes who are in any doubt as to PRC currency controls are advised to consult their own professional advisers.

Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside the PRC is subject to controls imposed under PRC law.

(i) PRC currency controls on Current Account Items

Under the PRC foreign exchange control regulations, current account item payments include payments for imports and exports of goods and services, payments of income and current transfers into and outside the PRC.

Prior to July 2009, all current account items were required to be settled in foreign currencies. Since July 2009, the PRC has commenced a pilot scheme pursuant to which Renminbi may be used for settlement of imports and exports of goods between approved pilot enterprises in five designated cities in the PRC including Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai and enterprises in designated offshore jurisdictions including Hong Kong and Macau. In June 2010, July 2011 and February 2012 respectively, the PRC Government promulgated the "Circular on Issues concerning the Expansion of the Scope of the Pilot Programme of Renminbi Settlement of Cross-Border Trades", the "Circular on Expanding the Regions of Cross-border Trade Renminbi Settlement" and the "Notice on Matters Relevant to the Administration of Enterprises Engaged in Renminbi Settlement of Export Trade in Goods". Pursuant to these circulars (i) Renminbi settlement of imports and exports of goods and of services and other current account items became permissible, (ii) the list of designated pilot districts were expanded to cover all provinces and cities in the PRC, and (iii) the restriction on designated offshore districts has been lifted and (iv) any enterprise qualified for the export and import business is permitted to use Renminbi as settlement currency for exports of goods, provided that the relevant provincial government has submitted to PBOC and five other PRC authorities (the "Six Authorities") a list of key enterprises subject to supervision and the Six Authorities have verified and signed off such list (the "Supervision List"). On 12 June 2012, the PBOC issued a notice stating that the Six Authorities had jointly verified and announced a Supervision List and as a result any enterprise qualified for the export and import business is permitted to use Renminbi as settlement currency for exports. Following the above progressive reforms, Renminbi settlement of imports and exports of goods and of services and other current account items became permissible nationwide in 2012, except that the key enterprises on the Supervision List would be subject to enhanced scrutiny when banks process current account cross-border repatriations.

On 5 July 2013, the PBOC promulgated the “Circular on Policies related to Simplifying and Improving Cross-border Renminbi Business Procedures” (the “2013 PBOC Circular”) with the intent to improve the efficiency of cross border Renminbi settlement and facilitate the use of RMB for the settlement of cross border transactions under current accounts or capital accounts. In particular, the 2013 PBOC Circular simplifies the procedures for cross border Renminbi trade settlement under current account items. For example, PRC banks may conduct settlement for PRC enterprises upon the PRC enterprises presenting the payment instruction, with certain exceptions. PRC banks may also allow PRC enterprises to make/receive payments under current account items prior to the relevant PRC bank’s verification of underlying transactions (noting that verification of underlying transactions is usually a precondition for cross border remittance).

On 1 November 2014, the PBOC promulgated the “Notice on Matters concerning Centralized Cross-Border RMB Fund Operation conducted by Multinational Enterprise Groups”, which provides that qualified multinational enterprise groups (“MEG”s) may carry out cross-border Renminbi fund centralised operations via a group member incorporated in the PRC, which operations include (i) two-way Renminbi cash-pooling arrangement and (ii) centralised receipt and payment of cross-border Renminbi under the current account. A qualified MEG shall have an aggregate revenue generated by domestic participating group members of no less than RMB 5 billion, and an aggregate revenue generated by foreign participating group members of no less than RMB 1 million. The group parent company of a qualified MEG may be incorporated in or outside of the PRC.

On 5 September 2015, PBOC promulgated the “Circular on Further Facilitating the Cross-Border Bi-directional Renminbi Cash Pooling Business by Multinational Enterprise Groups” (關於進一步便利跨國企業集團開展跨境雙向人民幣資金池業務的通知) (the “2015 PBOC Circular”), which, among others, have lowered the eligibility requirements for multinational enterprise groups and increased the cap for net cash inflow.

As new regulations, the above circulars and notice will be subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying these circulars and impose conditions for settlement of current account items. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the use of Renminbi for payment of transactions categorised as current account items, then such settlement will need to be made subject to the specific requirements or restrictions set out in such regulations.

(ii) *PRC currency controls on Capital Account Items*

Under the applicable PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of the relevant PRC authorities. However, as set out below, it has been announced that as from 1 June 2015, the capital account regulation in relation to direct investment has been delegated by the governmental authority (i.e. the local branches of the SAFE) to designated foreign exchange banks.

Prior to October 2011 Settlements for capital account items were generally required to be made in foreign currencies. For instance, foreign investors (including any Hong Kong investors) were required to make any capital contribution to foreign invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contracts and/or articles of association as approved by the relevant authorities. Foreign invested enterprises or relevant PRC parties were also generally required to make capital item

payments including proceeds from liquidation, transfer of shares, reduction of capital, interest and principal repayment to foreign investors in a foreign currency. That said, the relevant PRC authorities may approve a foreign entity to make a capital contribution or a shareholder's loan to a foreign invested enterprise with Renminbi lawfully obtained by it outside the PRC and for the foreign invested enterprise to service interest and principal repayment to its foreign investors outside the PRC in Renminbi on a trial basis. The foreign invested enterprise may also be required to complete a registration and verification process with the relevant PRC authorities before such Renminbi remittances.

On 13 October 2011, the PBOC issued the PBOC FDI Measures which set out operating procedures for PRC banks to handle RMB settlement relating to RMB FDI and borrowing by foreign invested enterprises of offshore RMB loans. Prior to the PBOC FDI Measures, cross-border RMB settlement for RMB FDI has required approvals on a case-by-case basis from the PBOC. The new rules replace the PBOC approval requirement with less onerous post-event registration and filing requirements. The PBOC FDI Measures cover various aspects of RMB FDI, including capital injection, payment of purchase price in the acquisition of PRC domestic enterprises, repatriation of dividends and distribution, as well as Renminbi denominated cross-border loans. Foreign invested enterprises, whether established or acquired by foreign investors, shall complete the corporate information registration after the completion of relevant RMB FDI transactions, and shall make post-event registration or filing with the PBOC of increases or decreases in registered capital, equity transfers or swaps, merger or acquisition or other changes to registered information.

On 30 March 2015, SAFE promulgated the "Circular on Reforming Foreign Exchange Capital Settlement for Foreign Invested Enterprises", (the "2015 SAFE Circular" which became effective on and from 1 June 2015. The 2015 SAFE Circular allows foreign-invested enterprises to settle 100 per cent (tentative) of the foreign currency capital (that has been processed through SAFE's equity interest confirmation proceedings for capital contribution in cash or registered by a bank on SAFE's system for account-crediting for such capital contribution) into Renminbi according to their actual operational needs, though SAFE reserves its authority to reduce the proportion of foreign currency capital that is allowed to be settled in such manner in the future. On the other hand, it is notable that the 2015 SAFE Circular continues to require that capital contributions should be applied within the business scope of the company for true and the company's own operational purposes; with respect to the Renminbi proceeds obtained through the aforementioned settlement, the 2015 SAFE Circular prohibits such proceeds from being applied outside the business scope of the company or for any prohibitive purposes in law, or applied directly or indirectly to securities investments (unless otherwise permitted in law), to granting entrusted loans or repaying of inter-company lending (including advance payment made by third parties) or bank loans that have been on lent to third parties, or to purchasing non-self-use real estates (unless it is a real estate company). In addition, the 2015 SAFE Circular allows foreign-invested investment companies, foreign-invested venture capital firms and foreign-invested equity investment companies to make equity investment through Renminbi funds to be settled, or those already settled, from their foreign currency capital by transferring such settled Renminbi funds into accounts of invested enterprises, according to the actual investment scale of the proposed equity investment projects.

On 5 June 2015, PBOC promulgated an order to revise certain existing PBOC regulations, which is to reflect the reform to a new registered capital system of PRC-incorporated companies under the PRC Company Law effective as of 1 March 2014 (the "PBOC Order"). Among other things, PBOC confirmed in the PBOC Order that capital verification of a foreign-invested enterprise under article 10 of the PBOC FDI Measures is no longer a mandatory procedure before the establishment, and the requirement under the PBOC Notice

concerning Clarification of Certain Issues on Cross-border Renminbi Settlement (中國人民幣銀行關於明確跨境人民幣業務相關問題的通知) that a foreign-invested enterprise is not allowed to borrow offshore RMB funds until its registered capital is paid up in full and as scheduled is also abolished.

On 5 September 2015, PBOC promulgated the 2015 PBOC Circular. According to the 2015 PBOC Circular, qualified multinational enterprise groups can extend Renminbi-denominated loans to, or borrow Renminbi-denominated loans from, eligible offshore member entities within the same group by leveraging the cash pooling arrangements. The Renminbi funds will be placed in a special deposit account and may not be used to invest in stocks, financial derivatives, or non-self-use real estates, or purchase wealth management products or extend loans to enterprises outside the group.

As new regulations, the above circulars, rules, measures and order will be subject to interpretation and application by the relevant PRC authorities. There is no assurance that approval of such remittances, borrowing or provision of external guarantee in Renminbi will continue to be granted or will not be revoked in the future. Further, since the remittance of Renminbi by way of investment or loans are now categorised as capital account items, such remittances will need to be made subject to the specific requirements or restrictions set out in the relevant SAFE rules. If any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

2.2.4.9 Renminbi clearing systems

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

3 Information Incorporated by Reference

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

- (1) the audited consolidated financial statements of the Issuer as at 31 December 2016 (including the auditors' report therein) contained in the annual report of the Issuer for the year ended 31 December 2016 which can be viewed online at https://www.swedbank.com/idc/groups/public/@i/@sbg/@gs/@ir/documents/financial/cid_2256557.pdf;
- (2) the audited consolidated financial statements of the Issuer as at 31 December 2015 (including the auditors' report therein) contained in the annual report of the Issuer for the year ended 31 December 2015 which can be viewed online at https://www.swedbank.com/idc/groups/public/@i/@sbg/@gs/@ir/documents/financial/cid_1972619.pdf;
- (3) the unaudited financial information in the published unaudited interim report of the Issuer as at 31 March 2017 (including the auditors' review report therein) which can be viewed online at https://www.swedbank.com/idc/groups/public/@i/@sbg/@gs/@ir/documents/financial/cid_2291770.pdf; 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/investor-relations/debt-investor/funding/funding-programmes-and-prospectuses/>: (i) the section "Terms and Conditions of the Notes" (pages 46-88 inclusive) set out in the Base Prospectus dated 13 May 2016; (ii) the section "Terms and Conditions of the Notes" (pages 44-86 inclusive) set out in the Base Prospectus dated 13 May 2015 (iii) the section "Terms and Conditions of the Notes" (pages 41-83 inclusive) set out in the Base Prospectus dated 13 May 2014; (iv) the section "Terms and Conditions of the Notes" (pages 36-75 inclusive) set out in the Base Prospectus dated 15 May 2013; (v) the section "Terms and Conditions of the Notes" (pages 25-58 inclusive) set out in the Base Prospectus dated 15 May 2012; (vi) the section "Terms and Conditions of the Notes" (pages 26-63 inclusive) set out in the Base Prospectus dated 19 May 2011; (vii) the section "Terms and Conditions of the Notes" (pages 28-74 inclusive) set out in the Base Prospectus dated 20 May 2010; (viii) the section "Terms and Conditions of the Notes" (pages 26-71 inclusive) set out in the Base Prospectus dated 20 May 2009; (ix) the section "Terms and Conditions of the Notes" (pages 25-69 inclusive) set out in the Base Prospectus dated 21 May 2008; (x) the section "Terms and Conditions of the Notes" (pages 21-56 inclusive) set out in the Base Prospectus dated 22 May 2007; (xi) the section "Terms and Conditions of the Notes" (pages 2-35 inclusive) set out in the Supplementary Base Prospectus dated 19 March 2007; (xii) the section "Terms and Conditions of the Notes" (pages 21-55 inclusive) set out in the Base Prospectus dated 22 May 2006; (xiii) the section "Terms and Conditions of the Notes" (pages 12-39 inclusive) set out in the Base Prospectus dated 1 July 2005; (xiv) the section "Terms and Conditions of the Notes" (pages 12-39 inclusive) set out in the Base Prospectus dated 12 May 2005; (xv) the section "Terms and Conditions of the Notes" (pages 10-37 inclusive) set out in the Information Memorandum dated 10 May 2004; (xvi) the section "Terms and Conditions of the Notes" (pages 10-37 inclusive) set out in the Information Memorandum dated 8 May 2003; (xvii) the section "Terms and Conditions of the Notes" (pages 9-34 inclusive) set out in the Information Memorandum dated 5 July 2002; and (xviii) the section "Terms and Conditions of the Notes" (pages 8-31 inclusive) set out in the Information Memorandum dated 13 July 2001.

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 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any information incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

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

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

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

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any 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 16 of the Prospectus Directive.

The table below sets out the relevant page references for the consolidated financial statements, the notes and the auditors' reports in the Issuer's financial statements for 2016 and 2015 as set out in the respective annual reports:

2016 Financial Statements		Page reference
1	Consolidated Financial Statements	p.58-62
2	Notes to Consolidated Financial Statements	p.63-134
3	Auditors' Report ²	p.182

2015 Financial Statements		Page reference
1	Consolidated Financial Statements	p.66-70
2	Notes to Consolidated Financial Statements	p.71-143
3	Auditors' Report ³	p.191

The table below sets out the relevant page references for information relating to alternative performance measures (as such term is defined in the ESMA Guidelines on Alternative Performance Measures), the unaudited financial information of the Issuer and the auditors' review report in the interim report for the period 1 January 2017 to 31 March 2017:

		Page reference
1	Alternative Performance Measures	p.20
2	Condensed Consolidated Financial Statements	p.22-26
3	Notes to Condensed Consolidated Financial Statements	p.27-46
4	Auditors' Review Report	p.53

² For the avoidance of doubt, this Auditors' Report relates to the period from, and including, 1 January 2016 to, and including, 31 December 2016.

³ For the avoidance of doubt, this Auditors' Report relates to the period from, and including, 1 January 2015 to, and including, 31 December 2015.

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 13 May 2015 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 Deutschland AG in its capacity as registrar (the "Registrar", which expression shall include any successor to Citigroup Global Markets Deutschland AG in its capacity as such) and The Bank of New York Mellon S.A./N.V. (previously known as The Bank of New York Mellon (Luxembourg) S.A.) 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 Directive. For the purposes of these Terms and Conditions of the Notes, "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in a relevant Member State of the European Economic Area (the "EEA").

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 (the "Irish Stock exchange"), be published on the website of the Central Bank of Ireland at www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx and on the website of the Irish Stock Exchange at www.ise.ie. 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 14 of the Prospectus Directive. Copies of the Final Terms will also be available, upon request, free of charge, at the registered office of the 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 in circumstances where a prospectus is required to be published under the Prospectus Directive (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 "Holders" shall include holders of Coupons (as defined below), 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 Unsubordinated 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 upon issue 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 in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e., 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. 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 Citibank, N.A., London Branch, as 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

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

(a) Status - Unsubordinated 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 Unsubordinated Notes or not specified therein as being subordinated and references to "Notes" in this Condition 3(a) shall be construed accordingly.
- (ii) The Notes constitute unsubordinated, unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and (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.

(b) Status - Subordinated 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 Subordinated Notes and references to "Notes" in this Condition 3(b) shall be construed accordingly.
- (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(b), "Senior Creditors" means creditors of the Issuer (i) who are depositors and/or other unsubordinated creditors of the Issuer; 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.

- (iii) 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);

"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 Rate of Interest" means, in respect of the First Reset Period and subject to Condition 4(b)(ii), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the First Margin;

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

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

"Mid-Market Swap Rate" means for any Reset Period the arithmetic mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (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 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 EURIBOR if the Specified Currency is euro or LIBOR for the Specified Currency if the Specified Currency is not euro;

"Mid-Swap Rate" means, in relation to a Reset Determination Date and subject to Condition 4(b)(ii), either:

- (i) if Single Mid-Swap Rate is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the rate for swaps in the Specified Currency:
 - (A) with a term equal to the relevant Reset Period; and
 - (B) commencing on the relevant Reset Date,which appears on the Relevant Screen Page; or

(ii) if Mean Mid-Swap Rate is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the 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;

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

"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;

"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; and

"Subsequent Reset Rate of Interest" means, in respect of any Subsequent Reset Period and subject to Condition 4(b)(ii), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the relevant Subsequent Margin.

(ii) **Fallbacks**

If on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page, the Calculation Agent shall request each of the Reference Banks (as defined below) 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 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 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 Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this Condition 4(b):

- (i) in the case of the first Reset Determination Date only, the First Reset Rate of Interest will be equal to the sum of (A) the Initial Mid-Swap Rate and (B) the First Margin; 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) the Mid-Swap Rate determined on the last preceding Reset Interest Determination Date and (B) the Subsequent Margin,

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

For the purposes of this Condition 4(b)(ii) "Reference Banks" means the principal office in the principal financial centre of the Specified Currency of five major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Issuer on the advice of an investment bank of international repute.

(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 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) **Determination or Calculation by Trustee**

If for any reason at any relevant time the Calculation Agent defaults in its obligation to determine the First Reset Rate of Interest, a Subsequent Reset Rate of Interest or to calculate any Interest Amount in accordance with subparagraph (i) above, the Trustee shall determine the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) at such rate 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 or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

(v) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b) by the Calculation Agent shall (in the absence of wilful default, bad faith, manifest error or 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 or 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 Period (which expression shall, in the Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms or, in the case of Exempt 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:

- (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.

(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

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

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

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at the Relevant Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms or, in the case of Exempt 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 these Conditions:

"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; or
- (viii) if the Reference Rate is the Hong Kong interbank offered rate ("HIBOR"), the first day of each Interest Period.

"Reference Banks" shall mean, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, and, in each case of a determination of a Reference Rate that is not LIBOR or EURIBOR, the principal office in the Relevant Financial Centre of four major banks in the inter-bank market of the Relevant Financial Centre in each case selected by the Principal Paying Agent.

"Reference Rate" shall mean (i) LIBOR; (ii) EURIBOR; (iii) STIBOR; (iv) NIBOR; (v) CIBOR; (vi) TIBOR; or (vii) HIBOR, in each case for the relevant period, as specified in the applicable Final Terms or, in the case of Exempt 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, 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 Time" shall mean (i) in the case of LIBOR, 11.00 a.m.; (ii) in the case of EURIBOR, 11.00 a.m.; (iii) in the case of STIBOR, 11.00 a.m.; (iv) in the case of NIBOR, 12.00 noon; (v) in the case of CIBOR, 11.00 a.m.; (vi) in the case of TIBOR, 11.00 a.m.; or (vii) in the case of HIBOR, 11.00 a.m., in each case in the Relevant Financial Centre, or, in the case of Exempt 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)(I), no offered quotation appears or, in the case of Condition 4(c)(ii)(B)(II), 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 the last preceding Interest Period).

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 Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

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

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

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

The 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 Period.

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

- (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):

- (C) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (D) if "Actual/365 (Fixed)" is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (E) 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 Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (F) if "Actual/360" is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (G) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

(v) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the 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 Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

For the purposes of this Condition 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 Period and the relevant Interest Payment Date 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 so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate

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.

(vi) **Determination or Calculation by Trustee**

If for any reason at any relevant time the Principal Paying Agent defaults in its obligation to determine the Rate of Interest or the Principal Paying Agent defaults in its obligation to calculate any Interest Amount in accordance with subparagraph (ii)(A) or subparagraph (ii)(B) above, as the case may be, and in each case in accordance with paragraph (iv) above, the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Principal Paying Agent.

(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 or 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 or 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.

(ix) **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 Principal Paying Agent shall, unless the context otherwise requires, be construed as references to such Calculation Agent.

(d) **Accrual of Interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the 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(e) 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 Notes only, redemption is to be on an interest Payment Date; and
- (c) where the Issuer would be obliged to pay additional amounts 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, 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;

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 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 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) *Redemption at the Option of the Holders (Investor Put)*

If Investor Put is specified as being applicable in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, upon the Holder of any Note giving to the Issuer in accordance with Condition 15 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) the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

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

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

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg, DTC or SIS given by a Holder of any Note pursuant to this Condition 5(d) shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 6 in which event such Holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 5(d).

(e) *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).

(f) Purchases

The Issuer or any of its consolidated subsidiaries may at any time 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, in the case of the Subordinated Notes, (i) the Applicable Capital Adequacy Regulations in force at the relevant time, (ii) the prior consent of the Swedish FSA (if such consent is required by the Applicable Capital Adequacy Regulations) 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.

(g) 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(f) 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.

(h) Late Payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 5(a), 5(b), 5(c) or 5(d) above or upon its becoming due and repayable as provided in Condition 6 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 5(e)(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.

(i) Subordinated Notes - Redemption Upon the Occurrence of a Capital 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 Subordinated 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" in this Condition 5(i) 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, but subject to obtaining the prior consent

of the Swedish FSA as provided in 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 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. 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 IV and those regulations, requirements, guidelines and policies relating to capital adequacy adopted from time to time and then in effect of the Swedish FSA (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).

A "Capital Event" means the determination by the Issuer, after consultation with the Swedish FSA, 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 (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 authorised signatories of the Issuer.

“CRD IV” means the legislative package consisting of the CRD IV Directive and CRR and any CRD IV Implementing Measures.

“CRD IV 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.

“CRD IV Implementing Measures” means any regulatory capital rules or regulations, or other requirements, which are applicable to the Issuer 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 (on a non-consolidated or consolidated basis) to the extent required by the CRD IV Directive or the CRR, including for the avoidance of doubt any regulatory technical standards released by the European Banking Authority (or any successor or replacement thereof).

“CRR” means 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.

“Swedish FSA” means the Swedish Financial Supervisory Authority (Sw: *Finansinspektionen*) or any successor entity primarily responsible for the prudential supervision of the Issuer.

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

(j) *Redemption and Purchase of Subordinated Notes only with Prior Approval*

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, no early redemption or purchase as contemplated by this Condition 5 of such Notes may be made without the prior consent of the Swedish FSA (if such consent is required by the Applicable Capital Adequacy Regulations).

(k) *Subordinated Notes - Substitution or Variation*

This Condition 5(k) 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(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 a Capital Event occurs and is continuing, the Issuer may, subject to obtaining the prior consent of the Swedish FSA (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 they remain or, as appropriate, become, Qualifying Securities (as defined below), provided that such substitution or variation does not itself give rise to any right of the Issuer to redeem the substituted or varied securities that are inconsistent with the redemption provisions of the Notes.

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 they remain or, as appropriate, become, Qualifying Securities as aforesaid, provided that (i) the Trustee receives the certificate in the form described in the definition of Qualifying Securities in accordance with the provisions thereof, and (ii) the terms of the proposed 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.

In these Conditions:

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

- (a) have terms not materially less favourable to the Holders as a class than the terms of the 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 shall have been delivered to the Trustee not less than five Business Days prior to (i) in the case of a substitution of the Notes, the issue of the relevant securities or (ii) in the case of a variation of the Notes, such

variation, as the case may be), provided that they shall (1) include a ranking at least equal to that of the Notes prior to such substitution or variation, as the case may be, (2) have the same interest rate and the same Interest Payment Dates as those from time to time applying to the Notes prior to such substitution or variation, as the case may be, (3) have the same redemption rights and obligations as the 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 Swedish FSA in relation to Tier 2 capital, (5) preserve any existing rights under the Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation, as the case may be, or, if none, the Interest Commencement Date, (6) be assigned (or maintain) the same or higher credit ratings as were assigned to the Notes immediately prior to such substitution or variation, as the case may be, 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 Notes were listed immediately prior to such substitution or variation, as selected by the Issuer and approved by the Trustee.

6. Events of Default

(a) *Events of Default - Unsubordinated Notes only*

- (i) The following shall be events of default (each an "Event of Default") in relation to the Notes of any Series that are unsubordinated and references to "Notes" in this Condition 6(a) shall be construed accordingly, namely:
 - (A) there is default for more than 15 days in the payment of principal of any of the Notes as and when the same shall become due and payable; or
 - (B) there is a default for more than 30 days in the payment of any interest due in respect of the Notes or any of them; or
 - (C) there is a default in the performance or observance by the Issuer of any other obligations or provisions binding on it under the Notes or the Trust Deed and such default (i) is, in the opinion of the Trustee, incapable of remedy or (ii) being a default which is, in the opinion of the Trustee, capable of remedy, remains unremedied for 30 days or such longer period as the Trustee may agree after the Trustee has given written notice thereof to the Issuer; or
 - (D) an agency or supervisory authority of the Kingdom of Sweden having jurisdiction in respect of the same institutes a proceeding, or a court in the Kingdom of Sweden enters a decree or order, for the appointment of a receiver or liquidator in any insolvency, rehabilitation, readjustment of debt, marshalling of assets and liabilities or similar arrangements involving (aa) the Issuer or (bb) as long as Swedbank Mortgage AB (publ) ("Swedbank Mortgage") is a wholly-owned subsidiary of the Issuer, Swedbank Mortgage or (cc) all or substantially all of the Issuer's property or (dd) as long as Swedbank Mortgage is a wholly-owned subsidiary of the Issuer, all or substantially all of Swedbank Mortgage's property or (ee) the winding up of or liquidation of the Issuer's affairs or (ff) as long as Swedbank Mortgage is a wholly-owned subsidiary of the Issuer, the winding up of or liquidation of Swedbank Mortgage's affairs, as the case may be, and such proceeding, decree or order is not vacated or remains in force undischarged or unstayed for a period of 60 days; or

- (E) the Issuer or as long as Swedbank Mortgage is a wholly-owned subsidiary of the Issuer, Swedbank Mortgage, files a petition to take advantage of any insolvency statute or voluntarily suspends payment of its obligations generally.
- (ii) If any Event of Default shall have occurred and be continuing in relation to the Notes of any Series, 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 and (if the Notes are interest-bearing) all interest then accrued on such Notes be forthwith due and payable, whereupon the same shall become immediately due and payable at their Early Redemption Amount, together with all interest (if any) accrued thereon without further action and formality.

(b) Events of Default - Subordinated Notes only

- (i) The following shall be events of default (each an "Event of Default") in relation to the Notes of any Series of Subordinated Notes and references to "Notes" in this Condition 6(b) shall be construed accordingly, 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 Subordinated 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(b), 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(b)(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(b)(i) the Issuer shall, except with the prior consent of the Swedish FSA, 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(b)(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(b)(i) and 6(b)(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.

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 the Kingdom of Sweden or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, 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 Kingdom of Sweden 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) If payments of interest or principal on the Notes by the Issuer become generally subject at any time to any taxing jurisdiction other than or in addition to the Kingdom of Sweden, references herein to the Kingdom of Sweden shall be read and construed as references to the Kingdom of Sweden and/ or to such other jurisdiction.
- (d) Any reference in these Conditions to principal, redemption amount and/ or interest in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 7.

- (e) This Condition 7(e) is only applicable in relation to Subordinated Notes. Notwithstanding the foregoing, Condition 7(a) will be limited to payments of interest only in respect of the Subordinated Notes.

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) any additional amounts which may be payable with respect to principal under Condition 7 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 5(e)); and
- (vi) 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 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 or 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 or 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 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. Any such modification, 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.

(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 Subordinated Notes is subject to the prior consent of the Swedish FSA.

13. Enforcement

At any time after the Notes become due and payable (subject to Condition 6(b)), 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(a)(ii) and Condition 6(b)(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 admitted to trading on the standard for bonds of the SIX Swiss Exchange Ltd, if published in electronic form on the internet website of the SIX Swiss Exchange Ltd (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(b) 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 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):

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

“Relevant Amounts” means the outstanding principal amount of the 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 of Proceeds

The net proceeds from each issue of Notes will be used by the Issuer for general business purposes, unless otherwise specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement.

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

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 Citibank, N.A., London Branch, as common depositary 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 upon issue 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 in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e., 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. 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 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, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“MiFID II”); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive (as defined below). Consequently no key information document required by Regulation (EU) No 1286/2014 (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 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)

Issue of

[Aggregate Nominal Amount of Tranche] [Title of Notes]

under the

* Insert for 144A Notes only.

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 12 May 2017 (the "Base Prospectus") [as supplemented by the supplement[s] dated [] [and []]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. For the purposes of these Final Terms, "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as so supplemented]. Full information on Swedbank AB (publ) (the "Issuer") and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplement[s]] [has] [have] been published on the website of the Central Bank of Ireland at www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx [and on the website of the Irish Stock Exchange plc at www.ise.ie] and copies may be obtained during normal business hours, free of charge, from the registered office of the Issuer at Landsvägen 40, SE-172 63 Sundbyberg, Sweden and from the specified office of the Principal Paying Agent at [].]

[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 [13 July 2001/5 July 2002/8 May 2003/10 May 2004/12 May 2005/1 July 2005/22 May 2006/19 March 2007/22 May 2007/21 May 2008/20 May 2009/20 May 2010/19 May 2011/15 May 2012/15 May 2013/13 May 2014/13 May 2015/13 May 2016] which are incorporated by reference in the Base Prospectus dated 12 May 2017 (the "Base Prospectus"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as supplemented by the supplement[s] dated [] [and []]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. For the purposes of these Final Terms, "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State. Full information on Swedbank AB (publ) (the "Issuer") and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplement[s]] [has] [have] been published on the website of the Central Bank of Ireland at www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx [and on the website of the Irish Stock Exchange plc at www.ise.ie] and copies may be obtained during normal business hours, free of charge, from the registered office of the Issuer at Landsvägen 40, SE-172 63 Sundbyberg, Sweden and from the specified office of the Principal Paying Agent at [].] *[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or 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 16 of the Prospectus Directive.]

[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. **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 22 below, which is expected to occur on or about [●]]] [Not Applicable]
3. **Specified Currency or Currencies:** [●]⁴
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].")⁵
- (ii) **Calculation Amount:** [●]
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations)*
7. (i) **Issue Date:** [●]
- (ii) **Interest Commencement Date:** [[●]/Issue Date/Not Applicable]
8. **Maturity Date:** [Specify date or (for Floating Rate Notes and RMB Notes) Interest Payment Date falling in or nearest to the relevant month and year]

⁴ Use the abbreviation "CNY" for RMB Notes

⁵ Not applicable if Notes being issued are in registered form

9. **Interest Basis:** [] per cent Fixed Rate]
 [Reset Notes]
 [] month
 [LIBOR/EURIBOR/STIBOR/NIBOR/CIBOR/
 TIBOR/HIBOR] +/- [] per cent Floating Rate]
 [Zero Coupon]
10. **Redemption/Payment Basis:** Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent of their nominal amount
11. **Change of Interest Basis or Redemption/ Payment Basis:** [Not Applicable] [*Specify details of any provision for conversion of Notes into another interest basis by cross-referring to paragraphs 14, 15 or 16 below.*]
12. **Put/Call Options:** [Investor Put] [Issuer Call] [Not Applicable]
 [(see paragraph [18/19] below)]
13. [(i)] **Status of the Notes:** [Unsubordinated - Condition 3(a) will apply/
 Subordinated - Condition 3(b) will apply]

If Subordinated Notes include:

- (a) Redemption upon occurrence of Capital Event and amounts payable on redemption therefor: [Applicable – Condition 5(i) will apply/Not Applicable]
[If applicable, specify the amount payable on redemption for a Capital Event: If the Issuer elects to redeem the Notes following the occurrence of a Capital Event pursuant to Condition 5(i), the Notes shall be redeemed in the amount of [] per Calculation Amount]
 Partial Capital Exclusion: [Applicable / Not Applicable]
- (b) Redemption for taxation reasons: Condition 5(b) will apply
 Tax Event Call (Condition 5(b)(A)(ii)): [Applicable / Not Applicable]
- (c) 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, from and including [●], up to and including the Maturity Date
<i>(N.B. This will need to be amended in the case of long or short coupons)</i> |
| (iii) | Fixed Coupon Amount(s):
<i>(Applicable to Notes in definitive form)</i> | [[●] per Calculation Amount]/[Not Applicable] |
| (iv) | Broken Amount(s):
<i>(Applicable to Notes in definitive form)</i> | [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]]/[Not Applicable] |
| (v) | Day Count Fraction: | [30/360]
[Actual/Actual (ICMA)]
[Actual/365 (Fixed)] |
| (vi) | Determination Dates: | [●] in each year <i>(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))</i> |
| (vii) | Interest Payment Date Adjustment:
<i>(Applicable to RMB Notes only)</i> | [Applicable/Not Applicable] |
| (viii) | Business Centre(s):
<i>(Applicable to RMB Notes only)</i> | [[●]]/[Not Applicable] |
| 15. | Reset Note Provisions
(Condition 4(b)) | [Applicable/Not Applicable]
<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i> |
| (i) | Initial Rate of Interest: | [●] per cent per annum payable in arrear on each Interest Payment Date |
| (ii) | Initial Mid-Swap Rate: | [●] per cent |
| (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) Relevant Screen Page:
- (x) Mid-Swap Rate: [Single Mid-Swap Rate/Mean Mid-Swap Rate]
- (xi) Mid-Swap Maturity
- (xii) Day Count Fraction: [30/360]
[Actual/Actual (ICMA)]
[Actual/365 (Fixed)]
- (xiii) Determination Dates: [in each year]/[Not Applicable]
- (xiv) Business Centre(s):
- (xv) Calculation Agent:
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]
- Relevant Time: [in the Relevant Financial Centre/As per Condition 4(c)(ii)]
- Relevant Financial Centre: [London/Brussels/Stockholm/Oslo/Copenhagen/Tokyo/Hong Kong]
- Interest Determination Date(s): [Second London business day prior to the start of each Interest Period]

[First day of each Interest Period]
 [Second day on which the TARGET2 System is open prior to the start of each Interest Period]
 [Second Stockholm business day prior to the start of each Interest Period]
 [Second Oslo business day prior to the start of each Interest Period]
 [First day of each Interest Period]
 [Second Tokyo business day prior to the start of each Interest Period]
 [First day of each Interest Period]
 [[●] days prior to the start of each Interest Period]

(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or Euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or Euro LIBOR)

– 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)

(vi) ISDA Determination:

– Floating Rate Option: [●]
 – Designated Maturity: [●]
 – Reset Date: [●]

(vii) 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)]

17. **Zero Coupon Note Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

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

PROVISIONS RELATING TO REDEMPTION

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): [●] per Calculation Amount
 - (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [●]
 - (b) Maximum Redemption Amount: [●]
 - (iv) Notice period (if other than as set out in the Conditions): [●]
(N.B. If setting notice periods which are different to those provided in the Conditions, the 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. **Investor Put:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
 - (ii) Optional Redemption Amount(s): [●] per Calculation Amount
 - (iii) Notice period (if other than as set out in the Conditions): [●]
(N.B. If setting notice periods which are different to those provided in the Conditions, the 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)
20. **Final Redemption Amount:** [●] per Calculation Amount

21. **Early Redemption Amount:**

Early Redemption Amount(s) payable on [●] per Calculation Amount redemption for taxation reasons or on Event of Default:

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. **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]⁶

[Temporary Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date]⁷

[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]

23. 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(xiv) and 16(iii) relate)

24. Talons for future Coupons to be attached to Definitive Notes:

[Yes/No]

25. Renminbi Currency Events:

[Applicable/Not Applicable]

Calculation Agent:

[●]/[Not Applicable]

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 [●],

⁶ *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].*

⁷ *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].*

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 the Irish Stock Exchange/Official List of the UK Listing Authority]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [the Main Securities Market of the Irish Stock Exchange/the London Stock Exchange's regulated market] with effect from, or from about, [●]]
- (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)].]
- (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.)*
- [[Insert the legal name of the relevant credit rating agency entity] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/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. [Fixed Rate 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.]

5. 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 additional Transfer Agents and/or Paying Agent(s) (if any): /[None]
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. 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.]

6. **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/TEFRA not applicable]
- (vii) Prohibition of Sales to EEA Retail Investors: [Not Applicable] (*If the offer of the Notes is concluded prior to 1 January 2018, or on and after that date the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified.*)

[Applicable] (*If the offer of the Notes will be concluded on or after 1 January 2018 and the Notes may constitute “packaged” products, “Applicable” should be specified.*)

7. **REASONS FOR THE OFFER**

Reasons for the offer: [●]/[Not Applicable]

(*See “Use of Proceeds” wording in the Base Prospectus – if reasons for the offer are different from general business purposes, will need to include those reasons here.*)

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, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“MiFID II”); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive (as defined below). Consequently no key information document required by Regulation (EU) No 1286/2014 (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.]

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

[Date]

SWEDBANK AB (publ)

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 Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Base Prospectus dated 12 May 2017 (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 Central Bank of Ireland at www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx [and on the website of the Irish Stock Exchange at www.ise.ie] and copies may be obtained during normal business hours, free of charge, from the registered office of the Issuer at Landsvägen 40, SE-172 63 Sundbyberg, Sweden and from the specified office of the Principal Paying Agent at [].

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.]

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 22 below, which is expected to occur on or about [●]]] [Not Applicable]
3. **Specified Currency or Currencies:** [●]⁸
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] ")*⁹
- (ii) **Calculation Amount:** [●]

(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations)

⁸ Use the abbreviation "CNY" for RMB Notes

⁹ Not applicable if Notes being issued are in registered form

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]
 [[*specify reference rate*]+/-[●] per cent Floating Rate]
 [Zero Coupon]
 [*specify other*]
10. **Redemption/Payment Basis:** [Subject to any purchase and cancellation or early redemption, the 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. **Put/Call Options:** [Investor Put] [Issuer Call]
 [(see paragraph [18/19] below)]
13. [(i)] **Status of the Notes:** [Unsubordinated - Condition 3(a) will apply/
 Subordinated - Condition 3(b) will apply]

If Subordinated Notes include:

- (a) Redemption upon occurrence of Capital Event and amounts payable on redemption therefor: [Applicable – Condition 5(i) will apply/Not Applicable]
If applicable, specify the amount payable on redemption for a Capital Event: If the Issuer elects to redeem the Notes following the occurrence of a Capital Event pursuant to Condition 5(i), the Notes shall be redeemed in the amount of [●] per Calculation Amount/*specify other/see Appendix*
 Partial Capital Exclusion: [Applicable / Not Applicable]
- (b) Redemption for taxation reasons: Condition 5(b) will apply
 Tax Event Call (Condition 5(b)(A)(ii)): [Applicable / Not Applicable]
- (c) 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, 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]/[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)]
[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
- (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) Relevant Screen Page: [●]
- (x) Mid-Swap Rate: [Single Mid-Swap Rate/Mean Mid-Swap Rate]
- (xi) Mid-Swap Maturity: [●]
- (xii) Day Count Fraction: [30/360]
[Actual/Actual (ICMA)]
[Actual/365 (Fixed)]
[specify other]
- (xiii) Determination Dates: [[●] in each year]/[Not Applicable]
- (xiv) Business Centre(s): [●]
- (xv) Calculation Agent: [●]
- (xvi) Other terms relating to the method of calculating interest for Reset Notes: [None/give details]
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/specify other]

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]

Interest Determination Date(s): [Second London business day prior to the start of each
Interest Period]
[First day of each Interest Period]
[Second day on which the TARGET2 System is open
prior to the start of each Interest Period]
[Second Stockholm business day prior to the start of
each Interest Period]
[Second Oslo business day prior to the start of each
Interest Period]
[First day of each Interest Period]
[Second Tokyo business day prior to the start of each
Interest Period]
[First day of each Interest Period]
[[●] days prior to the start of each Interest Period]
[specify other]

*(Second London business day prior to the start of each
Interest Period if LIBOR (other than Sterling or Euro
LIBOR), first day of each Interest Period if Sterling
LIBOR and the second day on which the TARGET2
System is open prior to the start of each Interest
Period if EURIBOR or Euro LIBOR)*

– Relevant Screen Page: [●]
*(In the case of EURIBOR, if not Reuters Screen
EURIBOR01 ensure it is a page which shows a
composite rate or amend the fallback provisions
appropriately)*

(vii) ISDA Determination:

– Floating Rate Option: [●]

– Designated Maturity: [●]

– Reset Date: [●]

(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: [●]

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. **Investor Put:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Optional Redemption Date(s): [●]

(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [[●] per Calculation Amount/specify other/see Appendix]

(iii) Notice period (if other than as set out in the Conditions): [●]
(N.B. If setting notice periods which are different to those provided in the Conditions, the 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)

20. **Final Redemption Amount:** [[●] per Calculation Amount/specify other/see Appendix]

21. **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(e)): [[●] per Calculation Amount/specify other/see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. **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]¹⁰

[Temporary Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date]¹¹

[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]

23. 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(xiv) and 16(iii) relate)

24. Talons for future Coupons to be attached to Definitive Notes: [Yes/No]

25. Renminbi Currency Events: [Applicable/Not Applicable]

Calculation Agent: [●]/[Not Applicable]

26. Other final terms: [Not Applicable/give details]

27. 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]

¹⁰ 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].

¹¹ 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].

[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 third 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 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 offer of the Notes is concluded prior to 1 January 2018, or on and after that date the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified.)*

[Applicable] *(If the offer of the Notes will be concluded on or after 1 January 2018 and the Notes may constitute “packaged” products, “Applicable” should be specified.)*

6. REASONS FOR THE OFFER

Reasons for the offer: [●]/[Not Applicable]

(See “Use of Proceeds” wording in the Base Prospectus – if reasons for the offer are different from general business purposes, will need to include those reasons here.)

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

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. Swedbank operates under the Swedish Banking and Financing Act (2004:297).

As of 31 December 2016, the Group served a total of 7.3 million private customers and more than 600,000 corporate customers through more than 389 branches in 12 countries, primarily in its principal markets of Sweden, Estonia, Latvia and Lithuania. This includes customers reached through 58 associated independent savings banks that collaborate with Swedbank.

The terms of such collaboration are governed by a common framework agreement which is agreed with the national association of savings banks, Sparbankernas Riksförbund, with each savings bank signing up to this agreement individually.

As set out in Article 1 of its Articles of Association, the purpose of the Group is to conduct 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 2016 derived from its Swedish banking services. As of 31 December 2016, the Group's loans to the public, excluding the Swedish National Debt Office and repurchase agreements, amounted to SEK 1,453 billion. The Group recorded SEK 25,194 million in profit before impairments for the year ended 31 December 2016 and SEK 21,291 million in profit before impairments for the year ended 31 December 2015. Credit impairments for the year ended 31 December 2016 amounted to SEK 1,367 million. The Group recorded impairment of intangible assets by SEK 35 million for the year ended 31 December 2016. Net profit attributable to the shareholders of Swedbank for the year ended 31 December 2016 amounted to SEK 19,539 million and SEK 15,727 million for the year ended 31 December 2015. As of 31 December 2016, the Group had 14,061 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

The largest shareholders in Swedbank as of 31 March 2017, owner grouped were:*, **

	<u>% of capital and votes</u>
Sparbanks-Gruppen – Members	9.45
Folksam	7.00
Northern Trust Company	6.88
ALECTA PENSIONS FÖRSÄKRING	4.43
Swedbank Robur Fonder	3.25
Sparbankstiftelser – Not Sparbanks-Gruppen	4.01
AMF – Försäkring och Fonder	3.99
STATE STREET BANK & TRUST COM	1.66
SWEDBANK AB	1.66
SEB Investment Management	1.62
10 largest shareholders	45.09
Number of shareholders	301,048

Notes:

* Shareholders in lowercase letters are grouped.

** Source: Euroclear Sweden AB

9.3 Strategy

Swedbank's core strategy is to provide customer value and build sustainable value. By being a stable profitable bank with low risk, Swedbank is able to build relationships that meet its customers' long-term needs. The aim of its strategy is to create sustainable value for its customers, society, its shareholders and its employees. Swedbank has chosen to create long-term customer and shareholder value. This goal reflects Swedbank's purpose, values and vision.

9.3.1 Accessible Full-Service Bank

Swedbank offers households, institutions, and businesses, both large and small, an accessible full-service bank in its four home markets: Sweden, Estonia, Latvia and Lithuania. Swedbank offers its customers a range of banking services, everything from basic transactions to sophisticated advisory services, and also provides customers with a large, modern distribution network, making it easy for a broad base of customers to manage their finances. Swedbank provides efficient digital solutions for day-to-day financial needs and comprehensive advice through direct contact with Swedbank employees. In May 2016, Swedbank announced the formation of a new unit for Digital Banking that will be responsible for digital sales support, development and innovation.

9.3.2 Offerings Based on Customer Needs

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

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 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 Cost Efficiency

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

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 248 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 214 additional branches, as of 31 December 2016. 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).

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 141 branches as of 31 December 2016 as well as through telephone and internet banking.

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

9.4.3 Large Corporates & Institutions

LC&I is responsible for Swedbank's provision of services to customers with revenues above SEK 2 billion and those whose needs are considered complex due to their multinational operations or their need for sophisticated financing solutions. LC&I is also responsible for developing corporate and capital market products for other parts of the Group and associated independent Swedish savings banks. LC&I works closely with customers to provide advice on decisions that create sustainable profits and growth. LC&I is present in Sweden, Norway, Estonia, Latvia, Lithuania, Finland, Luxembourg, China, the United States and South Africa. Loans to the public in LC&I represented approximately 15 per cent of the Group's total loans to the public outstanding as of 31 December 2016.

9.4.4 Group Functions & Other

Group Functions & Other consists of centralised business support units, Group Savings and Group Lending & Payments. The centralised business support units provide strategic and administrative support, comprising Accounting & Finance, Communication, Risk, IT, Compliance, Public Affairs, Human Resources and Legal. Group Savings and Group Lending & Payments' purpose is to improve efficiency in the development and

maintenance of Swedbank's products. Group Treasury is responsible for Swedbank's funding, liquidity and capital planning.

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 2016, calculated on a property level (which gives effect to multiple mortgage loans on a given property). To benefit customers by offering a broad range of home buying services and reducing costs, while creating the opportunity to acquire profitable new businesses in this segment, the Group creates economies of scale by co-operating with a number of partners including Swedbank's subsidiary, Swedbank Fastighetsbyrå, various home builders and other construction companies.

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

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

Loans for single-family homes are primarily secured by first ranking mortgages and have interest rates fixed for between 60 days and 10 years. Swedbank Mortgage's loans are either interest-only loans or amortised over 10-60 years. Swedbank Mortgage's lending to single-family housing is limited to 85 per cent of the market value of the property. Loans may be granted to applicants who have a prior ranking mortgage over their property with another lender, provided that the aggregated amount and ranking of the prior ranking mortgage and the Group's own exposure under its mortgage is less 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.

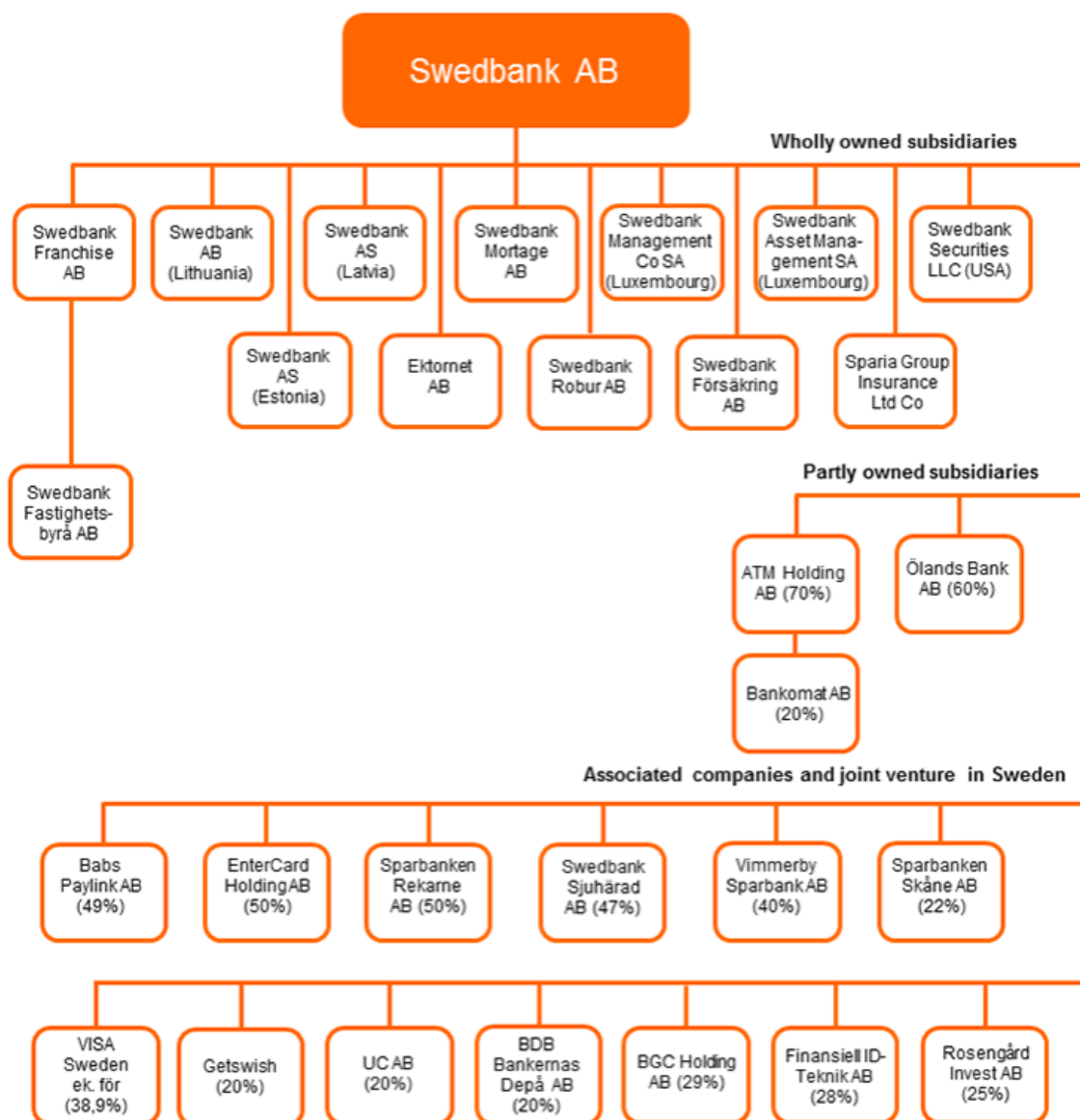
9.6 Key Geographic Markets and Competition

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

Below is a chart showing Swedbank's corporate structure.

Swedbank Group

Legal structure



9.6.1 Sweden

The banking sector is fairly concentrated in the Group's home markets. In Sweden, the Group, Svenska Handelsbanken, Nordea and SEB accounted for approximately 70 per cent of deposits and lending in 2016, according to the Swedish Central Bank. These major banks offer a wide range of financial products and services and compete in all key product segments. In Sweden, the Group is the largest retail bank and has a leading market position in private mortgage lending (25 per cent) and deposits from private customers (21 per cent) as of 31 December 2016.

The Group believes consumers have been more willing to change banks in recent years in a generally stable market. During the past year, banking customers have shown a tendency to turn to the major banks due to perceived volatility among the smaller players.

9.6.2 Estonia

The Estonian banking sector is even more concentrated than Sweden's. The market is dominated by foreign banks. In Estonia, the Group had a market share of 55 per cent for deposits and private customers and 47 per cent for lending as of 31 December 2016. In the Estonian corporate market, the Group's market share was 34 per cent for lending and 43 per cent for deposits as of 31 December 2016.

9.6.3 Latvia

Latvia has a more fragmented market where local banks account for 30 to 70 per cent of the various segments. As of 31 December 2016, the Group accounted for 31 per cent of private deposits and 31 per cent of private lending. In the corporate market, the market share was 15 per cent for deposits as of 31 December 2016.

9.6.4 Lithuania

Like Sweden, the banking market in Lithuania is dominated by a few major players. As of 30 September 2016, the Group accounted for 40 per cent of private deposits and 34 per cent of private lending. In the corporate market, the Group's share was 19 per cent for lending and 26 per cent for deposits as of 30 September 2016. In all the Baltic countries, competition has begun to increase again as the economy appears to recover.

9.7 Information Technology

9.7.1 Overview

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

Customers can now satisfy most of their routine banking requirements through alternate channels such as ATMS, debit cards, the internet and mobile devices. The Group's internet bank service reaches approximately 7.8 million customers. The Group's mobile bank services have, since its launch in 2009, attracted 3.7 million users. 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.

10 Risk Management

Swedbank defines risk as a potential 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 that such an event would have on profit and loss, equity and the value of the Group.

Risk arises in all financial operations, and managing it well is central for success. A strong common risk culture within Swedbank, with decision-making and responsibility kept close to the customer, serves as the foundation for efficient risk management and, consequently, a strong risk-adjusted return.

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

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

Successful risk management requires a strong risk culture and a common approach throughout the entire Group. Swedbank builds its approach to risk management on the concept of three lines of defence, signifying a clear division of responsibilities between the risk owner, i.e. the business units, the control functions consisting of Group Risk, Group Compliance and Internal Audit.

Swedbank's risk management

Swedbank's risk management is built on a sophisticated risk process with three lines of defence.

First line of defence	Second line of defence	Third line of defence
<p>Risk management by business operations</p> <p>Swedbank's business units and subsidiaries bear full responsibility for the risks that arise in their operations. Their employees have the best understanding of the customer and specific market. The customer's cash flow, solidity and collateral are always the decisive factors in the loan approval process. Standardised risk classification tools are in place to support the lending process.</p>	<p>Independent risk control</p> <p>The risk organisation is independent of the business operations and is responsible for identification, quantification, analysis and reporting of all risks. It upholds principles and frameworks for risk management to facilitate risk assessments. The credit risk function issues internal lending guidelines, such as cash flow and collateral requirements for customers as well as mandate structures for credit decisions within the organisation. For loans exceeding certain levels, the decisions are taken in credit committees to create a duality with the business operations. The committees also promote a sound risk culture by supporting and training employees in the business areas.</p>	<p>Internal Audit</p> <p>Internal Audit, an independent review function directly subordinate to the Board of Directors, conducts reviews of the first and second lines of defence. It identifies potential improvements in operations by evaluating risk management, governance and internal control. Internal Audit has also been tasked with identifying and helping to minimise activities that do not add value. When flaws are identified, the operations in question, in consultation with Internal Audit, formulate an action plan that clearly defines responsibilities and sets a timetable. The agreed-upon actions are followed up, and Internal Audit reports on their status to the Board of Directors and executive management on a quarterly basis until the work is completed.</p>

10.2 Three levels of risk management

10.2.1 First Line of Defence – Risk Management by Business Operations

Each of Swedbank's business units and subsidiaries bear full responsibility for the risks that arise within their respective operations where employees have the best understanding of their customers and specific markets.

A customer's cash flow, solvency and collateral are always the decisive factors in the loan approval process and standardised risk classification tools are supporting and facilitating the lending process.

During 2013, dedicated efforts were made to improve overall governance and control in relation to operating risks. This was primarily done through strengthening risk management capabilities in the first line of defence.

10.2.2 Second Line of Defence – Risk and Control Functions

Group Risk is independent of the Group's business operations and is responsible for the identification, quantification, analysis and reporting of all material risks. It upholds principles and the risk management framework in order to facilitate risk assessments. Group Risk is also responsible for providing operational guidance and support to the business organisation by promoting a sound risk culture within the Group.

Group Risk issues internal lending guidelines, such as cash flow and collateral requirements for customers, as well as structures used in making credit decisions within the organisation. For loans exceeding a certain level, decisions are also taken by credit committees, separately from the business organisation, in order to ensure prudent decision-making. Such committees also promote a sound risk culture by supporting and training employees in the business organisation.

10.2.3 Third Line of Defence – Internal Audit

Internal Audit, an independent review function reporting directly to the Board of Directors, conducts reviews of the first and second lines of defence. It identifies potential improvements in operations by evaluating risk management, governance and internal controls. Internal Audit has also been tasked with identifying and helping to minimise activities that do not create value.

When flaws are identified, the operations in question, in consultation with Internal Audit, formulate an action plan that clearly defines responsibilities and sets a timetable for implementing such action plan. The agreed-upon plan is implemented and Internal Audit reports on its status to the Board of Directors and executive management on a quarterly basis until the work is complete.

10.3 Management

10.3.1 Board of Directors

The Swedbank Board of Directors (the "Board") has overall responsibility for managing the Group's affairs in the interest of both Swedbank and the shareholders. The Board consists of ten members elected at the AGM. 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.

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.

<u>Name</u>	<u>Year of birth</u>	<u>Board member since</u>	<u>Position</u>	<u>Independent/dependent</u>
Lars Idermark	1957	2010	Chair	Independent
Ulrika Francke	1956	2002	Deputy Chair	Independent
Mats Granryd	1962	2017	Member	Independent
Siv Svensson	1957	2010	Member	Independent
Magnus Uggla	1952	2017	Member	Independent
Annika Poutiainen	1970	2017	Member	Independent
Camilla Linder	1968	2015	Employee Representative	--
Roger Ljung	1967	2015	Employee Representative	--
Bodil Eriksson	1963	2016	Member	Independent
Peter Norman	1958	2016	Member	Independent
Bo Johansson	1965	2017	Member	Dependent in relation to the bank's management. Independent in relation to the bank's major shareholders

Details as to the education and experience of the Board members are listed below:

Lars Idermark: Mr. Idermark has been a member of the Board for sixteen years and has been involved in the operations of the Group for ten years. He earned his Masters of Business Administration. Mr. Idermark is the President and a board member of Södra Skogsägarna AB. Before that, he was the President and CEO of PostNord AB, the President and CEO of KF/Coop (the Swedish Cooperative Union), President of the Second Swedish National Pension Fund, Deputy President and CEO of Capio AB, Executive Vice President, Deputy President and CEO of FöreningsSparbanken, which is part of the Group, Chief Financial Officer and Executive Vice President of Föreningsbanken AB and President and CEO of LRF Holding AB. He was elected as Chairman of the Board at the 2016 AGM.

Ulrika Francke: Ms. Francke has been a member of the Board for twenty-two years. She completed her university studies. Ms. Francke is the President and CEO of Tyréns AB. Prior to that, she was President and CEO of SBC Sveriges Bostadsrättscentrum AB, the Head of Administration of the City of Stockholm and President and CEO of Fastighets AB Brommstaden. Ms. Francke is also a board member of Hexagon AB, Chair of BIM Alliance, board member of IQ Samhällsbyggnad, board member of Almega Tjänsteförbunden and a board member of Stockholms Stadsteater AB.

Mats Granryd: Mr. Granryd has been a member of the Board since 2017. Mr. Granryd earned a Master of Science at the Royal Institute of Technology in Stockholm. He has previously worked at Tele 2 as CEO and had senior positions within Eriksson, currently he is the Director General at GSMA. Mr. Granryd is also member of the Board at COOR.

Siv Svensson: Ms. Svensson has been a member of the Board for seven years and has been involved in the operations of the Group for twenty-eight years. She earned her Bachelor of Science in International Economics. Ms. Svensson is a full-time board member. Previously, she was the President of Sefina Finance AB and Sefina Svensk Pantbelåning AB, held several positions at Nordea AB including Vice President, Regional Head, Group Controller and Nordic Head of Global Operation Services, was Group Controller of

Merita Nordbanken AB and Administrative Head at PK Fondkommission AB. Ms. Svensson is also a board member of SJ AB, Alba Holding AB, Karolinska Sjukhuset, InlandsInnovation AB and Forum Syd.

Magnus Ugglå: Mr. Ugglå has been a member of the Board since 2017. He has a Master of Science degree from the Royal Institute of Technology in Stockholm and an MBA degree from Stockholm School of Economics. He has also done the Stanford Executive Program. Mr. Ugglå has more than 30 years of experience from Handelsbanken AB, of which the major part has been as Deputy CEO and Head of Handelsbanken International, Head of Handelsbanken in Great Britain and regional manager for the Stockholm region. He has also experience as vice president at Svenska Handelskammaren and president at Svensk penning- och obligationsmarknad. He also has work experience from Axel Johnson AB, The Swedish Ministry of Industry and Swedish Central Bank. Mr. Ugglå is currently the member of the Board at Svensk Exportkredit AB and Hoist Finance AB.

Annika Poutiainen: Ms. Poutiainen has been a member of the Board since 2017. She earned her LL.M. at the University of Helsinki and King's College, London. Ms. Poutiainen is the founder of Alpha Leon AB. She has previous experiences as Head of Market Surveillance, Nasdaq Nordics, Head of Unit, Swedish Financial Supervisory Authority, and Solicitor at Linklaters London. Ms. Poutiainen is also a member of the Board at eQ Abp, Saferoad AS and JKL Group. She is also a member of the Board at Foundation Carpe Diem with the purpose to run Fredrikshovs Slotts Skola AB.

Camilla Linder: Ms Linder studied upper secondary school and she is employee representative to the board since 2015. Ms. Linder is also chair of the Financial Sector Union.

Roger Ljung: Mr Ljung studied upper secondary school and he is employee representative to the board since 2015.

Bodil Eriksson: Ms. Eriksson has been a member of the Board since 2016. Ms. Eriksson studied French literature at Uppsala University, Foreign Correspondance at the University in Lausanne and Brighton, and she also studied at RMI-Berghs. Previously, she was Senior Vice President at Volvo Car Group, Vice President at Apotek Hjärtat, Senior Vice President at SCA, as well as Vice President at Axfood.

Peter Norman: Mr. Norman has been a member of the Board since 2016. Mr Norman earned his Bachelor's degree in Economics at Stockholm University. Previously he has been active within Stockholm University, the Swedish Central Bank, Alfred Berg and the seventh National Pension Fund, as well as Minister for Financial Markets. Mr. Norman is also the chair of Ambrosia Asset Management AB, COIN- Investment Consulting Group AB, Pepins Group AB and Svenska Taxiförbundet. Mr. Norman is also a board member of Stockholm Resilience Center.

Bo Johansson: Mr. Johansson has been a member of the Board since 2017 and has 20 years of bank specific experience in operations. Mr. Johansson has a Master of Science in Business & Economics. He is the CEO of Swedbank Sjuhärad AB and has had previous experiences as Bank Manager at Swedbank AB Jämtland/Härjedalen and Head of Trade Finance at Swedbank Markets.

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.

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.

10.3.2 Group Executive Committee

The table below sets forth the name, year of birth, current position and years of employment of the members of the Group Executive Committee:

<u>Name</u>	<u>Year of birth</u>	<u>Position</u>	<u>Employed Since</u>
Birgitte Bonnesen	1956	President and CEO	1987
Aet Altroff	1972	Head of Group Customer Value Management	1994
Ģirts Bērziņš	1973	Head of Strategy within Digital Banking	2011
Elisabeth Beskow	1967	Head of Large Corporates & Institutions	2011
Mikael Björknert	1966	Head of SAMA	2010
Lars-Erik Danielsson	1962	Chief Credit Officer	1990
Anders Ekedahl	1960	Head of Group IT	1987
Björn Elfstrand	1964	Head of Group Savings	1989
Cecilia Hemqvist	1960	Head of Compliance	1990
Anders Karlsson	1966	CRO, Chief Risk Officer	1999
Leif Karlsson	1966	Head of Lending & Payments	1990
Ola Laurin	1971	Head of Large Corporates & Institutions	2000
Lars Ljungälv	1969	Head of South region	2014
Lotta Lovén	1967	Head of Digital Banking	2004
Helo Meigas	1965	Head of Group Treasury	2004
Priit Perens	1964	Head of Baltic Banking	2003
Christer Trädgårdh	1963	Head of Eastern region	2014

At the date of this Base Prospectus, the office address of the members of the Group Executive Committee is c/o Swedbank (publ) at Landsvägen 40, SE-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.

10.4 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 2017 AGM, Svante Forsberg was replaced by Patrick Honeth as the chief Auditor. The Auditor regularly meets with the Chair of the Board, the Chair of the Audit Committee, the executive management and other operating managers. The Group's interim reports are reviewed by its Auditor.

In accordance with its Articles of Association, Swedbank shall have no less than one or more than two authorised public accountants. The appointed Auditor is Deloitte AB, Sweden, with Authorised Public Accountant Patrick Honeth as Chief Auditor. Patrick Honeth is a member of FAR, the professional institute for authorised public accountants (Sw: *auktoriserade revisorer*), approved public accountants (Sw: *godkända revisorer*), and other highly qualified professionals in the accountancy sector in Sweden. Patrick Honeth has supervised auditing duties for the Group since 2017.

10.5 Corporate Governance

Swedbank's corporate governance policies are designed to create a sound and effective corporate culture that fosters trust as well as customer and shareholder value. To be successful, Swedbank's governance requires that our employees are familiar with, and work together to achieve, its common goals. For this purpose, the Group's Board of Directors prepares a corporate governance report in accordance with the SCCG.

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

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

10.6 Annual General Meeting

The AGM is the Group's highest decision-making body, where the shareholders exercise their rights. The AGM is normally held before the end of April, or under special circumstances not later than 30 June. The 2017 AGM was held in Stockholm on 30 March 2017.

11 Clearing and Settlement

Custodial and depository 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.

11.1 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.

11.2 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 depositary 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.

11.3 Secondary Market Trading in relation to Registered Global Notes

- 11.3.1 *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.
- 11.3.2 *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.

- 11.3.3 *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.
- 11.3.4 *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.

12 Notice to Purchasers of Restricted Notes and Transfer Restrictions

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".

13 Taxation

13.1 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.

13.2 PRC Taxation

Please refer to the paragraph "Gains on the transfer of the Renminbi Notes may become subject to income taxes under PRC tax laws" under the section "Risk Factors" above.

13.3 Hong Kong Taxation

The following is a general description of certain Hong Kong tax considerations relating to the Notes and is based on law and relevant interpretations thereof in effect as at the date of this Base Prospectus, all of which are subject to change, and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective holders of Notes who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction are advised to consult their own professional advisers.

13.3.1 Withholding tax

No withholding tax in Hong Kong is payable on payments of principal or interest with respect to the Notes or in respect of any capital gains arising from the sale of the Notes.

13.3.2 Profits tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (the "Inland Revenue Ordinance") as it is currently applied by the Inland Revenue Department, interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (a) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or

- (b) interest on the Notes is derived from Hong Kong and is received by or accrues to a company (other than a financial institution) carrying on a trade, profession or business in Hong Kong; or
- (c) interest on the Notes is derived from Hong Kong and is received by or accrues to a person (other than a company) carrying on a trade, profession or business in Hong Kong and is in respect of the funds of the trade, profession or business.

Pursuant to the Exemption from Profits Tax (Interest Income) Order, interest income accruing to a person other than a financial institution on deposits (denominated in any currency and whether or not the deposit is evidenced by a certificate of deposit) placed with, *inter alia*, a financial institution in Hong Kong (within the meaning of Section 2 of the Banking Ordinance (Cap. 155) of Hong Kong) are exempt from the payment of Hong Kong profits tax. Provided no prospectus with respect to the issue of Notes is registered under the Companies Ordinance, the issue of Notes by the Issuer is expected to constitute a deposit to which the above exemption for the payments will apply.

Sums derived from the sale, disposal or redemption of the Bearer Notes will be subject to Hong Kong profits tax where received by or accrued to a person (other than a corporation) who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source. Sums received by or accrued to a corporation (other than a financial institution) by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (as defined in section 16(3) of the Inland Revenue Ordinance) from the sale, disposal or redemption of Bearer Notes will be subject to profits tax. Similarly, such sums in respect of Registered Notes received by or accrued to either the aforementioned financial institution, person and/or corporation will be subject to Hong Kong profits tax if such sums have a Hong Kong source.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of the Notes will be subject to profits tax.

If the Notes are short or medium term debt instruments (as defined in the Inland Revenue Ordinance), profits tax will be assessable at one-half of the standard profits tax rate.

13.3.3 Stamp duty

No Hong Kong stamp duty will be chargeable upon the issue or transfer of a Note.

13.3.4 Estate duty

No Hong Kong estate duty is payable in respect of the Notes.

13.4 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.

13.5 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. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of FATCA provisions and IGAs to instruments such as 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, such withholding would not apply prior to 1 January 2019 and Notes 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.

14 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 PLC, BNP Paribas, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Danske Bank A/S, Deutsche Bank AG, London Branch, Goldman Sachs International, HSBC Bank plc, J.P. Morgan Securities plc, Merrill Lynch International, Morgan Stanley & Co. International plc, Natixis, Nomura International plc, Société Générale, Swedbank AB (publ), The Royal Bank of Scotland plc (trading as NatWest Markets), UBS AG and UBS Limited (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 12 May 2017 (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.

14.1 General

Other than with respect to the admission to trading or listing of the Notes on such stock exchange, market or quotation system as may be specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement, 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.

14.2 Prohibition of Sales to EEA Retail Investors

From 1 January 2018, 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 Directive 2014/65/EU (as amended, “MiFID II”); or
 - (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Directive; 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.

Prior to 1 January 2018, and from that date 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 EEA which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of 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 Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

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

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

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

14.3 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, as certified to the Principal Paying Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to Notes of such Tranche purchased by or through it, in which case the Principal Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to or for the account or benefit of 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).

14.4 United Kingdom

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 United Kingdom.

14.5 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.

14.6 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), as part of the initial distribution of the Notes.

14.7 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 ("SFO")) other than (i) to "professional investors" as defined in the SFO and any rules made under that Ordinance; 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 or which do not constitute an offer to the public within the meaning of that Ordinance; 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 that Ordinance.

15 Definitions

Common Equity Tier 1 capital (CET 1 capital): Capital consisting of capital instruments, related share premium accounts, retained earnings and other comprehensive income after considering regulatory adjustments.

Credit impairments: Established losses and provisions for the year less recoveries related to loans as well as the year's net expenses for guarantees and other contingent liabilities.

Probability of default (PD): The probability of default (PD) indicates the risk that a counterparty or contract will default within a 12-month period.

Risk exposure amount: Risk weighted exposure value i.e. the exposure value after considering the risk inherent in the asset.

Tier 1 capital: The sum of Common Equity Tier 1 capital and Additional Tier 1 capital according to article 25 in CRR.

16 General Information

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. In December 2014 the Swedish Shareholders' Association filed a class action against Swedbank Robur with the National Board for Consumer Disputes ("ARN"). The Swedish Shareholders' Association claims that two funds, Allemansfond Komplet and Kapitalinvest, were not actively managed for an extended period and that Swedbank Robur therefore should repay a portion of the management fee. Swedbank Robur has responded to the Swedish Shareholders' Association's submission to ARN. The response is comprehensive and outlines several reasons for Robur's opinion that there is no need to compensate the fund owners. Swedbank Robur is of the opinion that the funds in question have always been managed actively and the company has openly and regularly disclosed how the funds have been managed and the fees. The issue of active versus passive management is complicated and affects not only Swedbank Robur but is of fundamental importance to the industry in Sweden and abroad.

On 1 July 2015 the ARN decided not to proceed with the class action. The ARN stated in the decision that the matter was not suitable for the ARN to try. The Swedish Shareholders' Association subsequently filed a request that the ARN reconsider its decision. On 14 October 2015, the ARN decided not to revise the decision to reject the class action complaint.

The Swedish Shareholders' Association submitted an application in August and December 2015 to the Consumer Ombudsman ("KO") for the KO to take over the class action to represent an individual in an ordinary litigation brought by such an individual against Swedbank Robur. KO rejected this proposal on 4 September 2015 and on 18 December 2015. The general investigation by the SFSA regarding closet index funds is now closed. No known actions from the Swedish Shareholders' Association are ongoing at the moment.

In December 2015, Swedbank was notified by the SFSA that they were conducting an investigation into certain transactions by some of Swedbank's senior executives to see how Swedbank has managed any conflicts of interest. In January 2016, Swedbank provided the SFSA with the requested information. The SFSA have contacted Swedbank in November 2016 and February 2017 and asked for additional information regarding the investigation. Swedbank has answered the SFSA on 5 December 2016 and on 13 March 2017. There have been no further developments in the matter since then. Swedbank does not believe the results of this investigation, even if adverse, would have a material adverse effect on Swedbank's business, results of operations or financial condition.

3. Except for the proceedings mentioned above, 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.
4. There has been no significant change in the financial or trading position of the Issuer or the Group since 31 March 2017. There has been no material adverse change in the financial position or prospects of the Issuer or the Group since 31 December 2016.
5. Deloitte AB (Authorised Public Accountants) of Rehnsgatan 11, SE-113 79 Stockholm, Sweden, have audited the financial statements of the Issuer for the financial years ended 31 December 2016 and 31 December 2015.

Deloitte 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 SA, 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of SIS is SIX SIS Ltd, Baslerstrasse 100, CH-4600 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 so long as Notes are listed on the Irish Stock Exchange, hard copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the offices of the Issuer (at Landsvägen 40 SE-172 63 Sundbyberg, Sweden) and the specified office of the Principal Paying Agent in London and the Registrar:
 - (a) Certificate of Registration and Articles of Association of the Issuer;
 - (b) the Trust Deed;
 - (c) the Agency Agreement;
 - (d) the Issuer-ICSDs Agreement;
 - (e) the audited consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2016 and 2015 in each case together with the audit reports prepared in connection therewith;
 - (f) the unaudited financial information in the published unaudited interim report of the Issuer as at 31 March 2017, together with the audit review report prepared in connection therewith;
 - (g) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements of the Issuer, in each case together with any audit or review reports prepared in connection therewith; and
 - (h) 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.

In addition, copies of this Base Prospectus, any supplement to this Base Prospectus and Final Terms relating to Notes listed on the Irish Stock Exchange will be published on the website of the Central Bank of Ireland at <http://www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx> and on the website of the Irish Stock Exchange at www.ise.ie. Copies of Final Terms relating to Notes which are admitted to trading on any other regulated market in the EEA, will be published in accordance with the rules and regulations of the relevant listing authority or stock exchange and otherwise in accordance with Article 14 of the Prospectus Directive.

Copies of Pricing Supplements relating to Notes which are neither admitted to trading on any regulated market within the EEA nor offered in any Member State of the EEA in circumstances where a prospectus is required to be published under the Prospectus Directive (including Exempt Notes) will only be available for inspection 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.

8. This Base Prospectus has been approved by the Central Bank of Ireland as a base prospectus. Application has been made to the Irish Stock Exchange for Notes issued under the Programme to be admitted to the Official List and to trading on the Main Securities Market. The Main Securities Market is a regulated market for the purposes of MiFID.

However, Notes may be issued pursuant to the Programme which will not be admitted to listing on the Official List and admitted to trading and/or quotation by the regulated market of the Irish Stock Exchange or any other listing authority, stock exchange and/or quotation system or which will be admitted to listing, trading and/or quotation by such listing authority, stock exchange and/or quotation system as the 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 Main Securities Market for the purposes of the Prospectus Directive.
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, 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 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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