

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 Prospectus (the "Prospectus"), Swedbank AB (publ) (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 "Summary of the Programme" and any additional dealer 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 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.

Notes may be issued under the Programme which have a denomination of less than €100,000 (or its equivalent in other currencies).

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the "UK Listing Authority" and the "FSMA", respectively) for Notes issued under the Programme during the period of 12 months from the date of this Prospectus to be admitted to the official list of the UK Listing Authority (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for such Notes to be admitted to trading on the regulated market of the London Stock Exchange (the "EEA Regulated Market"). 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 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 London Stock Exchange's EEA Regulated Market or (ii) admitted to trading on the standard for bonds of the SIX Swiss Exchange Ltd, as the case may be. The EEA Regulated Market is a regulated market for the purposes of Directive 2004/39/EC (the "Markets in Financial Instruments Directive"). Notes sold in reliance on Rule 144A ("Rule 144A") under the United States Securities Act of 1933, as amended (the "Securities Act"), are expected to be eligible for trading on the PORTAL Market of the Nasdaq Stock Market, Inc.

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 Issuer may agree with any Dealer and the Trustee (as defined below) that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplementary prospectus or further prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

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 Prospectus).

Any person (an "Investor") intending to acquire or acquiring Notes from any person (an "Offeror") should be aware that, in the context of an offer to the public as defined in section 102B of the FSMA, the Issuer may be responsible to the Investor for the Prospectus under section 90 of the FSMA only if the Issuer has authorised that Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is so authorised by the Issuer. If the Offeror is not authorised by the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Prospectus for the purposes of section 90 of the FSMA in the context of the offer to the public and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Prospectus and/or who is responsible for its contents it should take legal advice. **Such information would be provided at the time of any sub-offers.**

The rating of certain Series (as defined below) of Notes to be issued under the Programme may be specified in the applicable Final Terms (as defined below). Whether or not each credit rating applied for in relation to the relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (the "CRA Regulation") will be disclosed in the Final Terms.

THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER 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) IN TRANSACTIONS MEETING THE REQUIREMENTS OF RULE 144A OR (2) IN BEARER OR REGISTERED FORM AND TO CERTAIN NON-U.S. PERSONS IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. SEE "SUBSCRIPTION AND SALE" AND "NOTICE TO PURCHASERS OF RESTRICTED NOTES AND TRANSFER RESTRICTIONS" FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF THE NOTES.

Arranger of the Programme

Barclays Capital

Dealers

Barclays Capital

**BofA Merrill Lynch
Goldman Sachs International
Morgan Stanley**

UBS Investment Bank

**Citi
J.P. Morgan
Swedbank**

IMPORTANT NOTICE

This Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the “Prospectus Directive”).

The Issuer (the “Responsible Person”) accepts responsibility for the information contained in this Prospectus. 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 Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. This paragraph should be read in conjunction with the eighth paragraph on the front page of this Prospectus.

The Issuer has confirmed to the Dealers that this Prospectus contains all information which is material in the context of the Programme or the issue of the relevant Notes; that this 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 Prospectus together with, in relation to any Tranche (as defined below) of Notes, the applicable Final Terms 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 and its subsidiaries and of the rights attaching to the relevant Notes.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or the Managers and the persons named in or identifiable following the applicable Final Terms as financial intermediaries/placers, as the case may be.

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES FROM AN OFFEROR WILL DO SO, AND OFFERS AND SALES OF THE NOTES TO AN INVESTOR BY AN OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH INVESTORS (OTHER THAN THE DEALERS OR MANAGERS) IN CONNECTION WITH THE OFFER OR SALE OF THE NOTES AND, ACCORDINGLY, THIS PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION. THE ISSUER HAS NO RESPONSIBILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.

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 any other terms and conditions not contained herein which are applicable to such Tranche will be set out in a final terms document (“Final Terms”) which, with respect to Notes to be listed on the London Stock Exchange, will be delivered to the UK Listing Authority and the London Stock Exchange or, with respect to Notes to be listed on the SIX Swiss Exchange Ltd, will be delivered to the SIX Swiss Exchange Ltd, in either case, on or before the date of issue of the Notes of such Tranche.

This Prospectus contains information sourced from third parties, 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 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. This Prospectus shall be read and construed on the basis that such information is incorporated and forms part of this 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 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 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.

None of this 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 Prospectus nor any Final Terms 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 Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

This 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 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 Prospectus or any Final Terms 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 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 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 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 Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus or any Final Terms 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 Prospectus or any Final Terms and other offering material relating to the Notes, see “Subscription and Sale”. Neither this Prospectus nor any Final Terms 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.

This Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Prospectus as completed by Final Terms in relation to the offer of those Notes may only do so (i) 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 supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by Final Terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State, such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or Final Terms, as applicable, and the Issuer has consented in writing to its use for the purpose of such offer. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer. References in this paragraph to the “Prospectus Directive” mean Directive 2003/71/EC and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State, and include any relevant implementing measure in the Relevant Member State, and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

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.

All references in this Prospectus to “U.S. dollars”, “U.S.\$” and “\$” refer to United States dollars, references to “CHF” refer to Swiss Francs, 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.

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.

CIRCULAR 230 NOTICE

TO ENSURE COMPLIANCE WITH U.S. TREASURY DEPARTMENT REGULATIONS, WE ADVISE YOU THAT ANY TAX DISCUSSION HEREIN WAS NOT WRITTEN AND IS NOT INTENDED TO BE USED AND CANNOT BE USED BY ANY TAXPAYER FOR PURPOSES OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER. ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE NOTES TO BE ISSUED PURSUANT TO THIS PROSPECTUS. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER’S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER CHAPTER 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

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IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES, THE DEALER OR DEALERS (IF ANY) NAMED AS THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN THE APPLICABLE FINAL TERMS MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF A STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE REGULATIONS.

SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Prospectus and any decision to invest in any Notes should be based on a consideration of this Prospectus as a whole, including any information incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area, no civil liability will attach to the Responsible Person in any such Member State solely on the basis of this summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.

Words and expressions defined in “Terms and Conditions of the Notes” or elsewhere in this Prospectus shall have the same meanings in this summary.

Issuer: Swedbank AB (publ)

Swedbank AB (publ) (the “Issuer”) is a public limited liability bank company (Sw: *Bankaktiebolag*) incorporated under Swedish law and headquartered in Stockholm. It has its registered office at Brunkebergstorg 8, SE-105 34 Stockholm, telephone number +46 8 5859 0000 and was registered in the Swedish Companies Registration Office in Sundsvall under registration number 502017-7753 on 24 April 1942. Swedbank AB’s shares are listed on NASDAQ OMX Stockholm AB.

As of 31 December 2010, the Issuer and its consolidated subsidiaries (together, the “Group”) served a total of more than 9.6 million private customers and more than 700,000 corporate customers through more than 900 branches in 13 countries, primarily in its principal markets of Sweden, Estonia, Latvia and Lithuania. The Group offers a broad range of products and services, including retail banking, corporate and investment banking, asset management and insurance products, with the majority of the Group’s income in 2010 deriving from its Swedish retail banking services.

Arranger: Barclays Bank PLC

Dealers: Barclays Bank PLC, Citigroup Global Markets Limited, Goldman Sachs International, J.P. Morgan Securities Ltd., Merrill Lynch International, Morgan Stanley & Co. International plc, Swedbank AB (publ), 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.
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 (“DKR”), Euro (“EUR” or “Euro”), Hong Kong Dollars (“HKD”), Japanese Yen (“JPY”), New Zealand Dollars (“NZD”), Norwegian Kroner (“NKR”), Pounds Sterling (“GBP”), 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:	<p>Notes may be issued on a subordinated or unsubordinated basis, as specified in the applicable Final Terms. Subordinated Notes may be subordinated with a specified maturity date (“Dated Subordinated Notes”) or subordinated and undated (“Undated Subordinated Notes”).</p> <p>In the case of Subordinated Notes, the claims of Holders thereof shall be subordinated to the claims of other creditors to the extent described in Condition 3(b) in the case of Dated Subordinated Notes and Condition 3(c) in the case of Undated Subordinated Notes.</p> <p>In addition, in the case of Undated Subordinated Notes, to the extent that may be required to avoid the Issuer being obliged to enter into liquidation, the shareholders of the Issuer may elect to utilise the principal amount (and Accrued Interest (as defined in Condition 3(c))) of the relevant Notes in meeting losses of the Issuer by writing down the principal amount (and Accrued Interest) of each relevant Note by the amount required to avoid liquidation and converting such amount into a conditional capital</p>

	contribution as further described in Condition 3(c). Interest will not accrue on any amount so converted.
Deferral of Interest – Undated Subordinated Notes:	In respect of Undated Subordinated Notes, if the Issuer does not, at its annual general meeting, declare or pay a dividend on any class of its share capital then on the next date after such annual general meeting on which the Issuer is due to pay interest under such Notes, it shall be entitled to defer payment of such interest until the first to occur of (i) the date upon which a dividend is next paid on any class of its share capital, (ii) any date fixed for redemption of the relevant Notes and (iii) the winding up or liquidation of the Issuer, as more fully described in Condition 4(f).
Issue Price:	Notes may be issued at any price and either on a fully or partly paid basis, as specified in the applicable Final Terms.
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 redemption amount (detailed in a formula or otherwise) as may be specified in the applicable Final Terms.
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 certain changes to capital adequacy rules as described in “Terms and Conditions of the Notes — Subordinated Notes — Redemption upon the Occurrence of a Capital Event”, but will otherwise be permitted only to the extent specified in the applicable Final Terms and subject to compliance with all applicable laws and regulations.
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 European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus

	<p>Directive will be €1,000 (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.</p>
Redenomination and Consolidation:	<p>The Terms and Conditions contain provisions for the redenomination of the Notes and the consolidation of Notes, as the case may be, all as more fully set out herein.</p>
Taxation:	<p>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 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.</p>
Negative Pledge:	<p>None.</p>
Cross-Default:	<p>None.</p>
Governing Law:	<p>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 Conditions 3(b) and 3(c) 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.</p>
Listing and Admission to Trading:	<p>Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange’s EEA Regulated 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>

The applicable Final Terms 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.

Risk Factors:

There are various factors which may affect the ability of the Issuer to fulfil its obligations under Notes issued under the Programme. These include risks relating to the Kingdom of Sweden and, in particular, the banking industry in Sweden. The Issuer's business may be affected by such factors as credit risk, market risk, operational risk and liquidity risk. In addition, there are certain factors which are material for the purpose of assessing the market risks relating to an investment in Notes issued under the Programme. These include the suitability of such an investment by an investor, risks related to the structure of a particular issue of Notes, risks inherent in Notes which are subordinated which risks vary according to the degree of subordination and certain other factors.

Terms and Conditions:

Final Terms will be prepared in respect of each Tranche of Notes, a copy of which will, in the case of Notes to be admitted to the Official List and to trading on the London Stock Exchange's EEA Regulated Market (or on any other stock exchange, market and/or quotation system) be delivered to the UK Listing Authority and the London Stock Exchange (or such other competent listing authority, stock exchange, market and/or quotation system) on or before the date of issue. The terms and conditions applicable to each Series will be those set out herein as amended, modified or replaced by the applicable Final Terms.

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.

Selling Restrictions:

There are certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the European Economic Area, the United Kingdom and Japan. 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 (Luxembourg) S.A.

Exchange Agent:

Citibank, N.A., London Branch.

RISK FACTORS

Investing in the Notes involves certain risks. The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate and the Issuer 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 Prospectus have the same meanings in this section.

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

Worsening economic conditions in the countries where the Group operates 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, Russia and Ukraine. The economic situation in all of the countries in which the Group operates was in various ways adversely affected by weakening economic conditions and the turmoil in the global financial markets. These countries experienced declining economic growth or recessions, increasing rates of unemployment, and, in the case of the Baltic countries, Russia and Ukraine, decreasing lending volumes as well as decreasing asset values. These macroeconomic factors led to higher default rates and higher credit impairments on the Group’s loan portfolios, and, in certain regions where the Group operates, also declining asset values, declining customer activity and flat or decreasing loan portfolio levels. Adverse economic development of the kind described above has impacted and may continue to impact the Group’s business in a number of ways, including, among others, the income, liquidity, business and/or financial wealth of the Group’s customers, which, in turn, could further reduce the Group’s credit quality and demand for the Group’s financial products and services. As a result, any or all of the conditions described above could continue to have a material adverse effect on the Group’s business, financial condition and results of operations.

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.

The global capital and credit markets have been characterised by extreme volatility and disruption in recent years. These conditions reached unprecedented levels in the second half of 2008 following the bankruptcy filing by Lehman Brothers Holdings Inc. in September 2008 and led to severe dislocation of financial markets around the world, an unparalleled reduction in liquidity and increased credit risk premiums for many market participants. This caused severe 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, compelling many financial institutions, including the Group, to rely on central banks and governments to provide liquidity and, in some cases, additional capital. In response to these market conditions, governments in jurisdictions where the Group has material operations sought to provide liquidity, stabilise financial markets and prevent the failure of financial institutions. These measures included, among others, a reduction in prevailing interest rates, which compressed the spreads of commercial bank products.

Although, these levels of market disruptions and volatility have abated, there are no assurances that they will not recur or that events that have similar effects on the financial markets will not occur, 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.

Risks Relating to the Group's Business

As a result of its business activities, the Group is exposed to a variety of risks, the most significant of which are credit risk, market risk, operational risk and liquidity risk. Failure to control these risks can result in material adverse effects on the Group's financial performance and reputation.

The Group has designed a generic process for managing the risks that its operation generates. See section "Swedbank AB (publ) – Risk Management" on page 104.

Credit Risk

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of the Group's businesses. Adverse changes in the credit quality of the Group's borrowers and counterparties due to a general deterioration in the Swedish, US or global economic conditions or arising from systemic risks in the financial systems, or a fall in collateral values, are likely to affect the recoverability and value of the Group's assets and require an increase in the Group's provisions for anticipated credit impairments, which in turn would adversely affect the Group's financial performance.

In particular, the Group's exposures to corporate customers could be subject to adverse changes in credit quality in the event of a deterioration of the economic environment in the Group's markets. Actual credit impairments vary over the business cycle, and additional credit impairments may occur at a rate higher than experienced in the past due to the prevailing market conditions. A significant increase in the size of the Group's allowance for credit impairments and credit impairments not covered by allowances would have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is exposed to foreign exchange rate risk, as loans to customers outside of Sweden are not typically denominated in SEK. In the Baltic countries, a large part of lending is denominated in EUR, and in Ukraine and Russia, a large part of lending is denominated in USD. These customers typically receive their main income in local currencies, which leaves them exposed to currency risk.

The Group's credit process is designed to support the strategy of maintaining the quality of the credit portfolio with a well diversified and balanced risk profile and balance between risk and returns. Lending that entails credit risk is governed by the Group's general business strategy, credit policy and the use of a prudent risk classification system. Additionally, there are also more specific regulations concerning credit decisions and mandates adopted by the Board of Directors.

Market Risk

The market risks in the Group are low. The dominant market risks are of structural or strategic nature, mainly interest rate risk from the lending operation and currency risk related to the Group's holdings in foreign subsidiaries in the Baltic States, Russia and Ukraine. The most significant market risks the Group faces are interest rate, foreign exchange risk and equity price risks.

Changes in interest rate levels, yield curves and spreads may affect the value of interest bearing assets and liabilities as well as the interest rate margin realised between lending and borrowing

costs. The Group's interest rate risks arise when interest fixing periods on assets and liabilities, including derivatives, do not coincide. The Group's fixed rate assets consist primarily of loans and this interest rate risks is largely eliminated with either fixed term funding or swap contracts.

Changes in currency rates affect the value of assets and liabilities denominated in foreign currencies and may affect income from foreign exchange dealing. The performance of financial markets may cause changes in the value of the Group's investment and trading portfolios.

Equity price risk refers to the risk that the value of the Group's holdings of shares and share-related derivatives may be affected negatively by changes in share prices or other relevant risk factors. Exposure to equity price risks arises in the Group due to holdings in equities and equity-related derivatives. The Group's equity trading is primarily customer-related.

The Group has implemented risk management methods and processes to mitigate and control the market risks to which the Group is exposed (see section "Swedbank AB (publ) – Risk Management"). Market risk exposures are measured and monitored on a daily basis and set under limits by the Board of Directors and the Asset and Liability Committee (ALCO). However, 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 business operations.

Liquidity Risk

Liquidity risk is the risk of not being able to meet payment obligations at maturity without significant increase in cost of obtaining means of payment (due to high borrowing costs or low prices when divesting assets). The inability of a bank, including the Group, to anticipate and provide for unforeseen decreases or changes in funding sources could have consequences on such bank's ability to meet its obligations when they fall due.

The Group's funding capacity and ability to raise funding can deteriorate due to a number of different causes e.g. a lowered credit rating, large financial losses, rumours or market price changes that affect the size of liquidity reserves. Some of those causes can also increase the Group's funding need as the Group's counterparties demand a higher amount of collateral to perform transactions with the Group. In addition, the volume of the Group's funding sources, in particular long-term funding, may be constrained during periods of liquidity stress. Turbulence in the global financial markets and economy may adversely affect the Group's liquidity and the willingness of certain counterparties and customers to do business with the Group, which may result in a material adverse effect on the Group's business and results of operations.

The Group endeavours to minimise liquidity risks and maintain good liquidity preparedness based on a conservative risk profile. The liquidity situation is monitored and analysed continuously in order to avoid excessive short term payment commitments. Hence, the Group's funding strategy includes having a long term, stable and diversified investor base by using various funding sources aiming to avoid funding concentrations. Liquidity reserves in the form of liquid pledgeable securities are held to further reduce the liquidity risks. Special continuity plans to manage serious disruptions to the liquidity situation are established both centrally and locally. The Group also frequently conducts liquidity stress tests with the purpose of enhancing preparedness and to ensure that the Group will be able to cope with situations where for example, various funding sources do not function.

Operational Risk

The Group's businesses are dependent on the ability to process a very large number of transactions efficiently and accurately. Operational risks and losses can result from fraud or other external or internal crime, errors by employees, failure to document transactions properly or to

obtain proper internal authorisation, failure to comply with regulatory requirements and with business rules, equipment failures, natural disasters or the failure of internal or external systems, for example, those of the Group's suppliers or counterparties. Although the Group has implemented risk controls and loss mitigation actions, and substantial resources are devoted to developing efficient procedures, staff training, maintaining effective continuity, incident and crisis management and to other security measures, it is not possible to implement procedures which are completely effective in controlling each of the operational risks.

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

Impact of Regulatory Changes

The Group is subject to financial services laws, regulations, administrative actions and policies in each location that the Group operates. Changes in supervision and regulation, particularly in Sweden, could materially affect the Group's business, the products and services offered or the value of its assets. Although the Group works closely with its regulators and continually monitors the situation, future changes in regulation, fiscal or other policies can be unpredictable and are beyond the control of the Group.

Changes to the Capital Requirements Directive

The European Capital Requirements Directive (2006/48/EC and 2006/49/EC, the "CRD") was implemented in Sweden in 2006 by the Capital Adequacy and Large Exposures Act (Sw: *Lag (2006:1371) om kapitaltäckning och stora exponeringar*) and regulations of the Swedish Financial Supervisory Authority (Sw: *Finansinspektionen*) (the "Swedish FSA"). The amendments made to the CRD in 2009 (known as "CRD II"), which include new rules regarding the definition of capital, are due to be implemented in each European member state from the beginning of 2011.

Subsequent to the finalisation of CRD II, the Basel Committee on Banking Supervision (the "Basel Committee") put forward a number of proposed changes to the Basel II framework. On 17 December 2009, the Basel Committee published for consultation a package of proposals for new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions (the so-called "Basel III" proposals). On 16 December 2010 and on 13 January 2011, the Basel Committee issued its final guidance on Basel III. The Basel III reforms require Tier 1 and Tier 2 capital instruments to be more loss-absorbing. The implementation of the Basel III reforms will begin on 1 January 2013, however the requirements are subject to a series of transitional arrangements and will be phased in over a period of time.

There can be no assurance that, prior to its implementation in 2013, the Basel Committee will not amend the package of reforms described above. The European Commission has published corresponding proposed changes at an EU level to the CRD (known as "CRD IV") and has indicated that it expects to publish regulations or a directive reflecting Basel III in mid-2011 requiring implementation in the member states by the beginning of 2013. The European Commission and/or the Swedish FSA may implement the package of reforms, including the terms which capital securities are required to have, in a manner that is different from that which is currently envisaged, or may impose more onerous requirements on Swedish financial institutions.

The introduction of new rules in Sweden reflecting CRD II and CRD IV could limit the Issuer's ability to effectively manage its capital requirements. These and other changes to capital adequacy and liquidity requirements imposed on the Issuer may require the Issuer to raise additional tier 1, core tier 1 and tier 2 capital by way of further issuances of securities and could result in existing tier 1

and tier 2 securities ceasing to count towards the Group's regulatory capital, either at the same level as present or at all. Any failure by the Issuer to maintain any increased regulatory capital requirements or to comply with any other requirements introduced by regulators could result in intervention by regulators or the imposition of sanctions, which may have a material adverse effect on the Issuer's profitability and results and may also have other effects on the Issuer's financial performance and on the pricing of the Notes, both with or without the intervention by regulators or the imposition of sanctions. Prospective investors in the Notes should consult their own advisers as to the consequences of the implementation of CRD II and the proposed CRD IV in Sweden.

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

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:

- (i) have 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 Prospectus or any applicable supplement;
- (ii) have 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) have 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) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be 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.

Notes may be complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments but as a means of reducing risk or enhancing yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the assistance of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Legal Investment Considerations May Restrict Certain Investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (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.

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:

Notes Subject to Optional Redemption by the Issuer

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

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

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

Undated Subordinated Notes have no final maturity and will, in addition to the rights of the Issuer described above, generally be redeemable at the option of the Issuer on certain date(s) as specified in the applicable Final Terms.

In addition, Subordinated Notes are also redeemable at the option of the Issuer upon the occurrence of a Capital Event as described in Condition 5(l).

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

Index Linked Notes and Dual Currency Notes

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a “Relevant Factor”). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and

- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

Partly Paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Variable Rate Notes with a Multiplier or Other Leverage Factor

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

Inverse Floating Rate Notes

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

Fixed/Floating Rate Notes

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

Notes Issued at a Substantial Discount or Premium

The market values of securities issued at a substantial discount or premium from 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 the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities, and the greater the potential decrease in value.

The Issuer's Obligations under Subordinated Notes are Subordinated

Subordinated Notes may, as specified in the applicable Final Terms, be either Dated Subordinated Notes or Undated Subordinated Notes, in each case as defined below, and together, "Subordinated Notes".

As described under Condition 3(b) of the Terms and Conditions of the Notes, the rights of the Holders of any subordinated Notes which have a specified maturity ("Dated Subordinated Notes") shall, in the event of the liquidation or bankruptcy 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 having a specified maturity and shall rank in priority to all undated subordinated indebtedness of the Issuer.

As described under Condition 3(c) of the Terms and Conditions of the Notes, in the event of the liquidation or bankruptcy of the Issuer, the rights of the Holders of undated subordinated Notes ("Undated Subordinated Notes") to payments on or in respect of such Notes, whether or not the whole or any part of the principal amount of the Notes together with Accrued Interest (as defined in Condition 3(c)) has been made available in meeting losses of the Issuer and such amount has been converted into capital contributions as described in Condition 3(c) shall rank (i) junior in right of payment to the payment of any present or future claims of (a) depositors of the Issuer, (b) other unsubordinated creditors of the Issuer and (c) subordinated creditors of the Issuer in respect of subordinated indebtedness having a specified maturity, (ii) *pari passu* without any preference among such Undated Subordinated Notes; (iii) at least *pari passu* with all outstanding perpetual or undated (hereinafter "perpetual") subordinated obligations of the Issuer whether or not so converted as described in Condition 3(c); and (iv) in priority to payments to holders of all classes of share capital of the Issuer in their capacity as such holders and any obligation of the Issuer expressed to rank junior to such Undated Subordinated Notes.

In addition, to the extent that may be required in order to avoid the Issuer being obliged to enter into liquidation, the shareholders of the Issuer may decide that the principal amount of Undated Subordinated Notes (together with Accrued Interest) be utilised in meeting losses of the Issuer, by writing down the principal amount (together with Accrued Interest) by the amount required to avoid liquidation and converting such amount into a conditional capital contribution (Sw: *villkorat kapitaltillskott*) as further described in Condition 3(c). Utilisation of the principal amount of the Undated Subordinated Notes (together with Accrued Interest) for the purpose of meeting losses shall be made *pro rata* to the principal amount (and accrued but unpaid interest) of other perpetual subordinated notes or other perpetual subordinated debt outstanding at the time of such utilisation.

The rights of the Holders of Undated Subordinated Notes in respect of the amounts so converted will thereupon be converted into rights of providers of capital contribution as set out in Condition 3(c).

Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated or are subordinated but not so deeply (i.e. Undated Subordinated Notes are more deeply subordinated than Dated Subordinated Notes), there is a significant risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent.

Under Certain Conditions, Interest Payments under Undated Subordinated Notes May be Deferred

In relation to Undated Subordinated Notes, if the Issuer does not, at its annual general meeting, declare or pay a dividend on any class of its share capital then on the next date after such annual general meeting on which the Issuer is due to pay interest under such Notes, it shall be entitled to

defer payment of such interest until the first to occur of (i) the date upon which a dividend is next paid on or with respect to any class of its share capital, (ii) any date fixed for redemption of the relevant Notes and (iii) the winding up or liquidation of the Issuer, as more fully described under Condition 4(f).

The Issuer will pay all deferred interest, and interest on that deferred interest, on all Undated Subordinated Notes as soon as it may no longer defer interest under the terms described above. The Issuer will make this payment in respect of all such Notes on the next scheduled Interest Payment Date that occurs in respect of any issue of such Notes, unless it elects to make the payment earlier.

In no event will Holders of Undated Subordinated Notes be able to accelerate the maturity of their Notes; such Holders will have claims only for amounts then due and payable on their Notes. After the Issuer has fully paid all deferred interest on any issue of Undated Subordinated Notes and if that issue of Undated Subordinated Notes remains outstanding, future interest payments on that issue of Undated Subordinated Notes will be subject to further deferral as described above.

Any deferral of interest payments as described above will be likely to have an adverse effect on the market price of the Undated Subordinated Notes. In addition, as a result of the interest deferral provision of the Undated Subordinated Notes, the market price of such Notes may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition.

Redemption and Events of Default in Relation to Subordinated Notes

The Issuer is under no obligation to redeem Undated Subordinated Notes at any time. 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*).

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.

Risks Relating to Notes

Modification, Waivers and Substitution

The Terms and Conditions of the Notes and the Trust Deed (as defined under "Terms and Conditions of the Notes") 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, 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.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

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

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 3(c) 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.

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 that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a Definitive Bearer Note in respect of such holding (should such Definitive Bearer Notes be printed) and would need to purchase a principal amount of Notes 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.

Risks Relating to the Market Generally

The Secondary Market Generally

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

Exchange Rate Risks and Exchange Controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. 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. As a result, investors may receive less interest or principal than expected, or no interest or principal.

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.

Credit Ratings May Not Reflect All Risks

One or more independent credit rating agencies may assign credit ratings to a Series of Notes. 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 methodology making it more difficult to maintain a certain credit rating. Accordingly, a credit rating is not a recommendation to buy, sell or hold the relevant Notes and may be revised or withdrawn by the relevant rating agency at any time. Any such revision 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 European Union and registered under the CRA Regulation (and such registration

has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

INFORMATION INCORPORATED BY REFERENCE

The following information which has previously been published or is published simultaneously with this Prospectus and has been submitted to and filed with the Financial Services Authority shall be incorporated in, and form part of, this Prospectus:

- (1) the audited consolidated financial statements of the Issuer as at 31 December 2010 and 2009 (including the auditors' reports thereon) contained in the annual reports of the Issuer for the years ended 31 December 2010 and 2009;
- (2) the unaudited financial information in the published unaudited interim report of the Issuer as at 31 March 2011; and
- (3) the following sections from previous prospectuses and information memoranda relating to the Programme: (i) the section "Terms and Conditions of the Notes" (pages 28-74 inclusive) set out in the Prospectus dated 20 May 2010; (ii) the section "Terms and Conditions of the Notes" (pages 26-71 inclusive) set out in the Prospectus dated 20 May 2009; (iii) the section "Terms and Conditions of the Notes" (pages 25-69 inclusive) set out in the Prospectus dated 21 May 2008; (iv) the section "Terms and Conditions of the Notes" (pages 21-56 inclusive) set out in the Prospectus dated 22 May 2007; (v) the section "Terms and Conditions of the Notes" (pages 2-35 inclusive) set out in the Supplementary Prospectus dated 19 March 2007; (vi) the section "Terms and Conditions of the Notes" (pages 21-55 inclusive) set out in the Prospectus dated 22 May 2006; (vii) the section "Terms and Conditions of the Notes" (pages 12-39 inclusive) set out in the Prospectus dated 1 July 2005; (viii) the section "Terms and Conditions of the Notes" (pages 12-39 inclusive) set out in the Prospectus dated 12 May 2005; (ix) the section "Terms and Conditions of the Notes" (pages 10-37 inclusive) set out in the Information Memorandum dated 10 May 2004; (x) the section "Terms and Conditions of the Notes" (pages 10-36 inclusive) set out in the Information Memorandum dated 8 May 2003; (xi) the section "Terms and Conditions of the Notes" (pages 9-34 inclusive) set out in the Information Memorandum dated 5 July 2002; and (xii) the section "Terms and Conditions of the Notes" (pages 8-30 inclusive) set out in the Information Memorandum dated 13 July 2001.

Following the publication of this Prospectus, a supplementary prospectus may be prepared by the Issuer and approved by the UK Listing Authority in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplementary prospectus (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 Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of documents incorporated by reference in this 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 and will be available for viewing on the website of the Issuer at www.swedbank.com.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of any Notes, prepare a supplementary 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 Section 87G of the FSMA.

The table below sets out the relevant page references for the consolidated financial statements, the notes and the auditor's reports in the Issuer's financial statements for 2010 and 2009 as set out in the respective annual reports:

2010 Financial Statements		Page reference
1	Consolidated Financial Statements	p.51-55
2	Notes to Consolidated Financial Statements	p.56-121
3	Auditor's Report	p.153
2009 Financial Statements		
1	Consolidated Financial Statements	p.58-62
2	Notes to Consolidated Financial Statements	p.63-123
3	Auditor's Report	p.125

The table below sets out the relevant page references for the unaudited financial information of the Issuer in the interim report for the period 1 January 2011 to 31 March 2011:

1	Condensed Consolidated Financial Statements	p.24-27
2	Notes to Condensed Consolidated Financial Statements	p.28-41
3	Auditor's Review Report	p.44

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which as amended, modified or replaced in relation to any Notes by Part A of the applicable Final Terms 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 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 19 May 2011 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 (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 Final Terms, 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 relevant 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.

The final terms of the Notes (or the relevant provisions thereof) are set out in Part A of the Final Terms relating to the Notes which amend, modify and replace these Terms and Conditions (the “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 Notes. References to the “applicable Final Terms” are to Part A of the Final Terms (or the relevant provisions thereof). Copies of the Final Terms will, in the case of Notes admitted to trading on a regulated market in the European Economic Area or offered in the

European Economic Area in circumstances where a prospectus is required to be published under Directive 2003/71/EC (the “Prospectus Directive”), be available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> or otherwise published in accordance with Article 14 of the Prospectus Directive. Copies of Final Terms relating to any Notes 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 relate to Notes which are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, 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 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, the applicable Final Terms 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 be to the 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 and holders of Receipts (each as defined below), as the context may require.

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 Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

The Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Index Linked Interest Notes, Dual Currency Interest Notes or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

The Notes may be Index Linked Redemption Notes, Instalment Notes, Dual Currency Redemption Notes, Partly Paid Notes or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

(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 date on which the Temporary Global Note is issued and provided certification as to non-U.S. 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):

- (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”), in substantially the form (subject to amendment and completion) set out in the Trust Deed,

which interests or Notes, as the case may be, may be obtained at any time, subject to the provisions of the relevant Temporary Global Note.

- (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, 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 applicable Final Terms, (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 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.
- (iii) Bearer Notes which are denominated in Swiss Francs (“Swiss Domestic Notes”), unless otherwise specified in the applicable Final Terms, 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 Bearer Notes which have an original maturity of more than 1 year and on all Receipts, 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, Receipts 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, Receipts or Coupons.

- (v) Notes issued in registered form will be represented on 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, *société anonyme* (“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 or, if so specified in the applicable Final Terms, an interest in another Registered Global Note. A Definitive Registered Note may be exchanged for an interest in a Registered Global Note or for another Definitive Registered Note under certain circumstances described in the Agency Agreement. 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, 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. Any such definitive Notes shall be issued within 45 days of the delivery of such notice to such office.

(d) *Coupons*

Interest-bearing Definitive Bearer Notes will have attached thereto at the time of their initial delivery coupons (“Coupons”) and, if indicated in the applicable Final Terms, 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. Definitive Bearer Notes repayable in instalments have receipts (“Receipts”) for the payment of the instalments of principal (other than the final instalment) attached on issue. Bearer Notes in global form do not have Receipts, 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, 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 beneficial interest in the relevant DTC Note will (unless otherwise required by applicable law) be shown on, and transfers of such beneficial interests 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, Receipts and Coupons passes by delivery and references herein to “Holders” of Bearer Notes, Receipts and Coupons are to the bearers of such Bearer Notes, Receipts 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, as specified in the applicable Final Terms. 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, Receipt 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

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) upon the surrender of the Registered Note to be transferred for registration of the transfer of the Registered Notes (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

Each new Registered Note to be issued upon the transfer of Registered Notes 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

Transfers of beneficial interests in Registered 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 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.

(a) Status – Unsubordinated Notes

- (i) This Condition 3(a) is applicable in relation to Notes specified in the applicable Final Terms as being unsubordinated 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 having a specified maturity

- (i) This Condition 3(b) is applicable in relation to Notes specified in the applicable Final Terms as being subordinated and which have a specified maturity (“Dated Subordinated Notes”) and references to “Notes” in this Condition 3(b) shall be construed accordingly.
- (ii) Notes specified as being subordinated and which have a specified maturity constitute subordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves. The rights of the Holder of any Dated Subordinated Note shall, in the event of the voluntary or involuntary 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 having a specified maturity and shall rank in priority to all undated subordinated indebtedness of the Issuer. The Issuer reserves the right to issue further subordinated notes and other subordinated obligations in the future, which may rank *pari passu* with present and future Dated Subordinated Notes.

(c) Status – Undated Subordinated Notes

- (i) This Condition 3(c) is applicable in relation to Notes specified in the applicable Final Terms as being Undated Subordinated Notes and references in this Condition 3(c) to “Notes” shall be construed accordingly.
- (ii) Notes specified as being Undated Subordinated Notes constitute unsecured, subordinated obligations of the Issuer, and, in the event of the voluntary or involuntary liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer, the rights of the Holders of such Notes to payments on or in respect of such Notes, whether or not the whole or any part of the principal amount of the Notes together with accrued but unpaid interest (including Arrears of Interest and any Additional Interest Amount (each as defined in Condition 4(f)) (“Accrued Interest”) has been made available in meeting losses of the Issuer and such amount has been converted into capital contributions as described below, shall rank:
 - (A) junior in right of payment to the payment of any present or future claims of (aa) depositors of the Issuer, (bb) other unsubordinated creditors of the Issuer, and (cc) subordinated creditors of the Issuer in respect of subordinated indebtedness having a specified maturity;
 - (B) *pari passu* without any preference among the Notes;
 - (C) at least *pari passu* with all outstanding perpetual or undated (hereinafter “perpetual”) subordinated obligations of the Issuer whether or not so converted as described below; and
 - (D) in priority to payments to holders of all classes of share capital of the Issuer in their capacity as such holders and any obligation of the Issuer expressed to rank junior to the Notes.

To the extent that may be required in order to avoid the Issuer being obliged to enter into liquidation (Sw: *likvidation*), the shareholders of the Issuer, by resolution passed at a general meeting, may decide that the principal amount of the Notes (together with Accrued Interest)

be utilised in meeting losses of the Issuer, by writing down the principal amount (together with Accrued Interest) by the amount required to avoid liquidation and converting such amount (the "Converted Amount") into a conditional capital contribution (Sw: *villkorat kapitaltillskott*). The Issuer shall forthwith inform the Trustee of such decision and the rights of the Holders of Notes in respect of the principal amount and interest so converted will thereupon be converted into rights of providers of capital contributions as set out below.

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

Utilisation of the principal amount of the Notes (together with Accrued Interest) for the purpose of meeting losses shall be made *pro rata* to the principal amount (and accrued but unpaid interest) of other perpetual subordinated notes or other perpetual subordinated debt outstanding at the time of such utilisation. Utilisation of the principal amount of the Notes (together with Accrued Interest) as aforesaid may only be made provided that (a) the Swedish Financial Supervisory Authority (Sw: *Finansinspektionen*) (the "Swedish FSA") shall have given its approval thereto and (b) the Articles of Association of the Issuer shall, in connection with the implementation of such decision, have been amended by the incorporation of a duly registered Article substantially to the following effect (unless the same is provided for under Swedish law or unless the Articles of Association already contain such a provision):

"Until an amount equal to the portion of the principal amount of the Notes (together with Accrued Interest) which has been converted to a capital contribution has been reinstated as debt in full in the balance sheet of the Company, or such amount has been redeemed (such redemption having been approved by the Swedish FSA), and the Company has paid an amount equal to the interest (calculated in accordance with Condition 4(f)(iii)) that would have accrued in the absence of such conversion as aforesaid, the Issuer may neither distribute dividends nor otherwise make payments to its shareholders (except (i) in respect of claims that, in bankruptcy (Sw: *konkurs*) or liquidation (Sw: *likvidation*), would have priority in right of payment over perpetual subordinated obligations, or (ii) in connection with the distribution of assets in the event of merger as provided by law) nor redeem any capital contributions that may have been made by shareholders (Sw: *aktieägartillskott*). Notwithstanding the foregoing, the Issuer may, however, make payments to its shareholders, provided that, in connection with such payment, other measures are taken (x) to ensure that neither the capital stock (including restricted reserves) nor the non-restricted reserves of the Company will be reduced as compared with the amount of capital stock (including restricted reserves) and of the non-restricted reserves prior to the payment decision or (y) which will otherwise ensure that the interests of the Holders of Notes are not adversely affected in any respect as a result of such payment to shareholders.

To the extent that the balance sheet of the Company adopted at a shareholders' general meeting shows sufficient unappropriated earnings (Sw: *disponibla vinstmedel*) to allow for reconversion and reinstatement (in whole or in part) as debt of amounts converted in respect of subordinated indebtedness in the form of capital securities (Sw: *primärkapitaltillskottbevis*) and/or perpetual/undated subordinated notes (Sw: *eviga förlagsbevis*), such general meeting of shareholders may decide that such reconversion and reinstatement shall be made with due observance taken to the prescribed ranking between the relevant instruments."

- (iii) Such utilisation (as described above) of the principal amount of the Notes (together with Accrued Interest) shall not constitute an Event of Default under the Conditions of the Notes.

- (iv) Reconversion and reinstatement as debt of the portion of the principal amount of the Notes (together with Accrued Interest) which has been converted to capital contribution and payment of an amount equal to the interest (calculated in accordance with Condition 4(f)(iii)) that would have accrued in the absence of such conversion may only be made out of the unappropriated earnings (Sw: *disponibla vinstmedel*) of the Issuer according to its current adopted balance sheet and subject to a resolution of the shareholders passed at a general meeting.
- (v) If the Issuer has so made available and converted the principal amount of the Notes or any part thereof (together with Accrued Interest) to meet losses, on any redemption of the Notes (such redemption having been approved by the Swedish FSA), the Issuer shall forthwith inform the Trustee and the whole of the original principal amount of Notes (and not part only) shall be redeemed, and Accrued Interest to the date of such redemption shall be paid in full together with an amount equal to the interest (calculated in accordance with Condition 4(f)(iii)) that would have accrued in the absence of such conversion.

During any period(s) in which part of the principal amount of the Notes has been made available and converted as aforesaid, interest shall accrue on the balance of the principal amount of the Notes at the appropriate rate of interest calculated in accordance with Condition 4.

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

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

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 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.

If the Notes are in definitive form, except as provided in the applicable Final Terms, 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, 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, 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, if they are Partly Paid Notes, the aggregate amount paid up); 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:
 - (A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “Accrual Period”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) 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; and
- (ii) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In the Conditions:

“Determination Period” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

“sub unit” means, with respect to any currency other than Euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to Euro, one cent.

(b) Interest on Floating Rate Notes and Index Linked Interest Notes

(i) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest 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
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, 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 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 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(b)(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 a day which is both:

- (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 specified in the applicable Final Terms; and

- (2) either (i) in relation to any sum payable in a Specified Currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in Euro, a day on which, the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the “TARGET2 System”) is open.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms 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) 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 or any other ISDA Definitions specified in the applicable Final Terms, 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;
- (II) the Designated Maturity is a period specified in the applicable Final Terms; and
- (III) the relevant Reset Date is either (a) if the applicable Floating Rate Option is based on the London interbank offered rate (“LIBOR”) or on the Euro-zone interbank offered rate (“EURIBOR”), the first day of that Interest Period or (b) in any other case, as specified in the applicable Final Terms.

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 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 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 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) 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.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (I) above, no such offered quotation appears or, in the case of (II) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

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

If the applicable Final Terms 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 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, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, 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. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

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

- (A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a global Note, the aggregate outstanding nominal amount of the Notes represented by such global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Floating Rate Notes or Index Linked Interest 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 or an Index Linked Interest 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, unless otherwise specified in the applicable Final Terms, in respect of the calculation of an amount of interest in accordance with this Condition 4(b):

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

- (G) if “30E/360 (ISDA)” is specified in the applicable Final Terms, 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) 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 and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest 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 or Index Linked Interest 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 or, as the case may be, the Calculation 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 or as otherwise specified in the applicable Final Terms, 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), 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 or the Calculation Agent, as applicable.

(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(b), whether by the Principal Paying Agent or, if applicable, 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 Calculation Agent (if applicable), 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, if applicable, 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 Dual Currency Interest Notes

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

(d) Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(e) 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 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).

(f) Interest Deferral

(i) This Condition 4(f) is applicable only in relation to Undated Subordinated Notes and references to “Notes” in this Condition 4(f) shall be construed accordingly.

(ii) *Optional Interest Payment Dates*

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

An “Optional Interest Payment Date” means any Interest Payment Date in respect of which no dividend has been declared or paid on or with respect to any class of share capital of the Issuer at the most recent annual general meeting of the Issuer immediately prior to such Interest Payment Date. The Issuer will be required to pay interest on the Notes on each Interest Payment Date which is not an Optional Interest Payment Date.

(iii) *Arrears of Interest*

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

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

Each amount of Arrears of Interest shall bear interest (as if it constituted the principal of the Notes) at a rate which corresponds to the rate from time to time applicable to the Notes and the amount of such interest (the “Additional Interest Amount”) with respect to Arrears of

Interest shall be due and payable pursuant to this Condition 4(f) and shall be calculated by the Calculation Agent applying the relevant rate to the amount of the Arrears of Interest and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 4. The Additional Interest Amount accrued up to any Interest Payment Date shall be added, for the purpose only of calculating the Additional Interest Amount accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date so that it will itself become Arrears of Interest.

(iv) *Notice of Interest Deferral and Payment of Arrears of Interest*

The Issuer shall give not more than 14 nor less than 5 Business Days' prior notice to the Holders of Notes in accordance with Condition 15:

- (A) of any Optional Interest Payment Date on which, pursuant to the provisions of Condition 4(f)(ii) above, interest will not be paid; and
- (B) of any date upon which amounts in respect of Arrears of Interest and/or Additional Interest Amounts shall become due and payable, or in relation to which the Issuer exercises the option to pay such amounts in accordance with Condition 4(f)(iii).

(v) *Partial Payment of Arrears of Interest*

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

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

5. Redemption and Purchase

(a) Redemption at Maturity

Unless previously redeemed or purchased and cancelled as specified below or unless the Notes are specified in the applicable Final Terms as being Undated Subordinated Notes, each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date. Notes which are specified in the applicable Final Terms as being Undated Subordinated Notes have no final maturity and are only redeemable or repayable in accordance with the following provisions of this Condition 5 or Condition 6.

(b) Early Redemption for Taxation Reasons

If, in relation to any Series of Notes (i) as a result of any change in the laws of the Kingdom of Sweden or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which

becomes effective on or after the Issue Date of the first Tranche of such Notes on the occasion of the next payment due in respect of such Notes the Issuer would be required to pay additional amounts as provided in Condition 7 and (ii) such circumstances are evidenced by the delivery by the Issuer to the Trustee of a certificate signed by two directors or other authorised signatories of the Issuer stating that the said circumstances prevail and describing the facts leading thereto and an opinion of independent legal advisers of recognised standing addressed to the Trustee to the effect that such circumstances prevail (and the Trustee shall be entitled to accept such certificate and legal opinion as sufficient evidence that the said circumstances prevail in which event they shall be conclusive and binding on the Holders), the Issuer may, at its option and having given no less than 30 nor more than 60 days' notice (ending, in the case of Floating Rate Notes, Index Linked Interest Notes or Dual Currency Notes, on an Interest Payment Date) to the (i) the Trustee and (ii) the Holders in accordance with Condition 15 (which notice shall be irrevocable) 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, however, that no such notice of redemption may be given earlier than 90 days (or, in the case of Floating Rate Note, Index Linked Interest Notes or Dual Currency 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 were a payment in respect of the Notes then due.

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

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice 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, or determined in the manner specified in, the applicable Final Terms 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.

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 in the applicable Final Terms, 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 the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, 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. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

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 depositary 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, 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, 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, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

- (ii) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (iii) in the case of a Zero Coupon Note, 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 a fraction the numerator of which is 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 of which is 360, or on such other calculation basis as may be specified in the applicable Final Terms.

(f) Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 5(e).

(g) Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Final Terms.

(h) 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 Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. 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.

(i) Cancellation

All Notes which are redeemed will forthwith be cancelled (together, in the case of Definitive Bearer Notes, with all unmatured Receipts, 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(h) above (together, in the case of Definitive Bearer Notes, with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

(j) 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)(iii) 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.

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

In the case of Notes specified in the applicable Final Terms as being subordinated (whether Dated Subordinated Notes or Undated 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.

(l) Subordinated Notes – Redemption Upon the Occurrence of a Capital Event

This Condition 5(l) applies only in the case of Notes specified in the applicable Final Terms as being subordinated (whether Dated Subordinated Notes or Undated Subordinated Notes) and references to “Notes” in this Condition 5(l) shall be construed accordingly.

Upon the occurrence of a Capital Event (as defined below), the Issuer may, at its option, having given not less than 30 days’ nor more than 60 days’ notice (ending, in the case of Floating Rate Notes, Index Linked Interest Notes or Dual Currency Notes, on an Interest Payment Date) to (i) the Trustee and (ii) the Holders in accordance with Condition 15 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes of the relevant Series at the amount specified in, or determined in the manner specified in, the applicable Final Terms, together with interest, if any, accrued to but excluding the date of redemption.

As used herein:

A “Capital Event” means the determination by the Issuer after consultation with the Swedish FSA (such determination to be binding on the Trustee and the Holders of Notes without further investigation) that, as a result of any amendment to, clarification of, or change in (including any future amendment, clarification or change which has been adopted and made public in final form with a stated effective date) the laws (or any regulations thereunder) of the Kingdom of Sweden which becomes effective on or after the Issue Date of the first Tranche of the Notes, all of the Notes are not eligible for inclusion in the Tier 2 capital (Sw: *supplementärt kapital*) of the Issuer (save where such non-qualification is only as a result of any applicable limitation on the amount of such capital).

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

6. Events of Default

(a) Events of Default – Unsubordinated Notes only

- (i) Unless otherwise specified in the applicable Final Terms, 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 any Notes of any Series of Notes, the Trustee may at its discretion, and if so requested by Holders of at least one-quarter in principal amount of the Notes of such Series then outstanding or if so directed by an Extraordinary Resolution (as defined in the Trust Deed), by written notice to the Issuer will 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 – Dated Subordinated Notes and Undated Subordinated Notes only

- (i) Unless otherwise specified in the applicable Final Terms, the following shall be events of default (each an “Event of Default”) in relation to the Notes of any Series of Dated Subordinated Notes or Undated 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 (other than an Optional 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 Notes of any Series of Notes (whether Dated Subordinated Notes or Undated 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), by written notice to the Issuer will 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, in the case of Dated Subordinated Notes, all interest (if any) accrued thereon and, in the case of Undated Subordinated Notes, Accrued Interest (if any) as provided in Condition 4(f).

If (a) Note become 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, Receipts or Coupons 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 receivable 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, Receipt 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, Receipt or Coupon by reason of his having some connection with the Kingdom of Sweden other than the mere holding of such Note, Receipt or Coupon; or
 - (ii) to, or to a third party on behalf of, a Holder who is able to avoid such withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
 - (iii) more than 30 days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of 30 days; or
 - (iv) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
 - (v) presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent or Transfer Agent, as the case may be, in a Member State of the EU.
- (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 the Issuer becomes 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.

8. Payments

(a) Method of Payment

Subject as provided below:

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

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

(b) Presentation of Definitive Bearer Notes, Receipts 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)).

Payments of instalments of principal (if any) in respect of Definitive Bearer Notes, other than the final instalment, 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 the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 8(a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Definitive Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Bearer Note to which it appertains. Receipts presented without the Definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

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 Dual Currency Notes, Index Linked Notes or 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, Dual Currency Note, Index Linked 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.

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

Payments of principal and interest (if any) in respect of Notes represented by any global bearer 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 global bearer Note, where applicable against presentation or surrender, as the case may be, of such global bearer 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 global bearer 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 (other than instalments of principal (if any) prior to the final instalment) 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 or a Transfer Agent.

Payments of interest due on a Registered Note (whether in definitive or global form) and payments of instalments (if any) of principal on a Registered Note, other than the final instalment, 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, Receipt 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; and
- (B) each Financial Centre specified in the applicable Final Terms; and
- (ii) either (I) in relation to any sum payable in a Specified Currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) or (II) in relation to any sum payable in Euro, a day on which the TARGET2 System is open.

(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 Notes redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 5(e)); and
- (vii) 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) Redenomination and Consolidation

(i) Redenomination

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Holders of Bearer Notes, or the Holders of Registered Notes, on giving at least 30 days' prior notice to such Holders in accordance with Condition 15 and to the Principal Paying Agent or the Registrar, as the case may be, designate a Redenomination Date.

With effect from the Redenomination Date:

- (a) each Bearer Note or Registered Note shall (unless already so provided by mandatory provisions of applicable law) be deemed to be redenominated into such amount of Euro as is equivalent to its denomination in the Specified Currency (as specified in the applicable Final Terms) converted into Euro at the rate for the conversion of the Specified Currency into Euro established by the Council of the European Union

pursuant to Article 140 of the Treaty on the Functioning of the European Union, as amended (the “Treaty”) (including compliance with rules relating to roundings in accordance with European Community regulations). Such amount shall be rounded to the nearest integral multiple of one cent (with 0.005 Euros being rounded upwards). If, however, the international clearing systems in which the Bearer Notes or Registered Notes are then cleared and settled do not then accept for clearance and settlement redenominated euromarket debt obligations with a denomination of one cent, the Bearer Notes and the Registered Notes will be replaced by Bearer Notes or, as the case may be, Registered Notes denominated in Euro with the denomination of one Euro;

- (b) if Definitive Bearer Notes or Definitive Registered Notes are required to be issued, they shall be issued at the expense of the Issuer in the denominations of Euro 0.01, Euro 1,000, Euro 10,000, Euro 100,000 and such other denominations as the Trustee shall determine and notify to Holders of Bearer Notes or, as the case may be, Holders of Registered Notes;
- (c) if Definitive Bearer Notes have been issued, all unmatured Coupons denominated in the national currency of a Member State participating in the third stage of European Economic and Monetary Union pursuant to the Treaty (a “legacy currency”) (whether or not attached to the Notes) will become void and no payments will be made in respect of them. New certificates in respect of Euro denominated Notes and Coupons will be issued in exchange for legacy currency Notes and Coupons in such manner as the Principal Paying Agent and/or the Trustee may specify and notify to the Holders;
- (d) all payments in respect of the Notes, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in Euro, as though references in the Notes to the Specified Currency were to Euro. Such payments will be made in Euro by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee;
- (e) where exchange is specified in the applicable Final Terms as being applicable, the Issuer may elect that the Notes shall be exchangeable for Notes expressed to be denominated in Euro in accordance with such arrangements as the Issuer may decide, with the prior approval of the Trustee, and as may be specified in the notice, including arrangements under which Coupons unmatured at the date so specified become void;
- (f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:
 - (i) in the case of the Notes represented by a global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes, 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; and
 - (ii) in the case of definitive Notes, by applying the Rate of Interest to the Calculation Amount, 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 and then multiplying such rounded figure by the number of times the relevant definitive Note can be divided by the Calculation Amount;

- (g) if the Notes are Floating Rate Notes, any applicable changes to the provisions relating to interest will be specified in the applicable Final Terms; and
- (h) such other changes will be made to the terms and conditions of the Notes as the Issuer may decide, with the prior written approval of the Trustee, to conform such Notes to conventions then applicable to instruments denominated in Euro. Any such other change will not take effect until they have been notified to the Holders of Bearer Notes or, as the case may be, Holders of Registered Notes in accordance with Condition 15.

None of the Trustee, the Paying Agents, the Registrar and the Transfer Agents will be liable to any Holders or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any currency conversion or rounding effected in connection therewith.

(ii) Consolidation

In connection with any such redenomination pursuant to Condition 8(h), the Issuer may also from time to time, without the consent of Holders, consolidate the Notes with one or more issues of other Notes ("Other Notes") issued by it, whether or not originally issued in a legacy currency or Euro, provided that such Other Notes have been redenominated into Euro (if not originally denominated in Euro) and otherwise have, in respect of all periods subsequent to such consolidation, the same or substantially the same terms and conditions as the Notes.

Definitions:

As used in these Conditions:

"Redenomination Date" means a date which:

- (i) in relation to interest-bearing Notes, shall be an Interest Payment Date;
- (ii) is specified by the Issuer in the notice given pursuant to Condition 8(h); and
- (iii) falls on or after the date on which the country of the Relevant Currency participates in European Economic and Monetary Union pursuant to the Treaty.

(i) 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 Final Terms 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).

9. Prescription

- (a) Bearer Notes, Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within ten years (or, in the case of Coupons and save as provided in Condition 8(b), five years) after the due date for payment.
- (b) Claims against the Issuer in respect of Registered Notes will be prescribed unless made within ten years (or, in the case of claims in respect of interest, five years) after the due date for payment.

10. Agents

The initial Agents and their respective initial specified offices are specified below. 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;
- (d) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; and
- (e) 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, Receipts and Coupons

If any Note, Receipt 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 relevant 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, Receipts 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 Receipts, 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 duly passed at any meeting of Holders will be binding on all Holders, whether or not they are present at the meeting.

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, Receipts, 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 the Notes of any Series that are subordinated 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, the Receipts 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, Receipts 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, save where another means of effective communication has been specified in the applicable Final Terms, 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 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 Final Terms, 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 and the first payment of interest, if any, on them) 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 (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 and Jurisdiction

- (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 Conditions 3(b) and 3(c) and Clause 3 of the Trust Deed are governed by, and shall be construed in accordance with, Swedish law.
- (b) *English courts and New York courts:* The Issuer agrees for the benefit of the Trustee and the Holders that (i) the courts of England and (ii) the courts of the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York 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 and the State of New York:* 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 (i) in connection with any Proceedings in England, to the Swedish Trade Council at its office at 6th Floor, Winchester House, 259-269 Old Marylebone Road, London NW1 5RA and (ii) in connection with any Proceedings in the County of New York, to the Issuer’s branch in New York for the time being, currently located at 12 East 49th Street, New York, NY 10017 or, if different, its principal place of business in the County of New York for the time being. If either 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 or (as the case may be) the County of New York 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 the County of New York and to Proceedings elsewhere.

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.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be used by the Issuer for general banking purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

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.

Form of Registered Notes

In the case of Registered Notes, the applicable Final Terms 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”).

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.

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 and 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.

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.

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.

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, 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, 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.

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) (“TEFRA D”) and will be represented upon issue by a temporary global Note in bearer form without receipts, 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, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the “Common Safekeeper”) for Euroclear Bank SA/ NV (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”); and
- (ii) if the 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 depository (the “Common Depository”) 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 receipts, 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.

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, (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.

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.

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.

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.

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.

FORMS OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of less than €100,000 (or its equivalent in another currency).

[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

[The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area (each, a “Relevant Member State”) which has implemented Directive 2003/71/EC (the “Prospectus Directive”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer of the Notes may only do so:

- (i) 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 supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in paragraph 37 of Part A below, provided such person is one of the persons mentioned in paragraph 37 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]¹

[The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area (each, a “Relevant Member State”) which has implemented Directive 2003/71/EC (the “Prospectus Directive”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State 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 supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]²

¹Consider including this legend where a non-exempt offer of Notes is anticipated.

²Consider including this legend where only an exempt offer of Notes is anticipated.

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 Prospectus dated [date] (the “Prospectus”) [and the supplementary prospectus dated [date]] which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC (the “Prospectus Directive”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the supplementary prospectus] [is] [are] available for viewing at [address] [and] [website] and copies may be obtained from [address].

[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 [Prospectus] dated [original date] which are incorporated by reference in the Prospectus dated [current date] and are attached hereto. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC (the “Prospectus Directive”) and must be read in conjunction with the Prospectus dated [current date] [and the supplementary prospectus dated [date]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus dated [current date] [and the supplementary prospectuses dated [date] and [date]]. The Prospectus [and the supplementary prospectuses] are available for viewing at [address] [and] [website] and copies may be obtained from [address].]

[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, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplementary 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: | [●] |
| | | <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)</i> |
| 3. | Specified Currency or Currencies: | [●] |
| 4. | Aggregate Nominal Amount: | [●] |
| | (i) Series: | [●] |
| | (ii) Tranche: | [●] |

5. **Issue Price:** [●] per cent of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
6. (i) **Specified Denomination(s):** [●]
[●]
(N.B. If an issue of Notes is (i) NOT admitted to trading on a regulated market within the European Economic Area; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €1,000 minimum denomination is not required)
- (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:** [●]
8. **Maturity Date:** [Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
9. **Interest Basis:** [[●] per cent Fixed Rate]
[[specify reference rate]+/-[●] per cent Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Other (specify)]
(further particulars specified below)
10. **Redemption/Payment Basis:** [Redemption at par]
[Index Linked Redemption]
[Partly Paid] [Instalment]
[Other (specify)]
(N.B. If the Final Redemption Amount is other than 100 per cent of the nominal value, the Notes will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to Commission Regulation (EC) No 809/2004 (the “Prospectus Regulation”) will apply)
11. **Change of Interest Basis or Redemption/Payment Basis:** [Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]
12. **Put/Call Options:** [Investor Put] [Issuer Call]
[(further particulars specified below)]
13. [(i)] **Status of the Notes:** [Unsubordinated – Condition 3(a) will apply/ Subordinated and having a specified maturity]

(Dated Subordinated Notes) – Condition 3(b) will apply/Undated Subordinated Notes – Condition 3(c) will apply]

[(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)

14. **Method of distribution:**

[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions:**
(Condition 4(a))

[Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

(i) Rate(s) of Interest:

[●] per cent per annum [payable [annually/ semi-annually/quarterly/monthly] in arrear]

(ii) Interest Payment Date(s):

[[●] in each year up to and including the Maturity Date]/[specify other]
(N.B. This will need to be amended in the case of long or short coupons)

(iii) Fixed Coupon Amount(s):
(Applicable to Notes in definitive form)

[●] per Calculation Amount

(iv) Broken Amount(s):
(Applicable to Notes in definitive form)

[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]

(v) Day Count Fraction:

[30/360 / Actual/Actual (ICMA) / [specify other]]

(vi) Determination Dates:

[●] in each year (insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.
N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration
N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))

(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:

[Not Applicable/give details]

16. **Floating Rate Note Provisions:**

[Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

(i) Specified Period(s)/Specified Interest Payment Dates:

[●]

(ii) Business Day Convention:

[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ [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): [●]
(Include name and address)
- (vi) Screen Rate Determination: [●]
- Reference Rate: [●]
(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)
- Interest Determination Date(s): [●]
(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) Margin(s): [●] per cent per annum
- (ix) Minimum Rate of Interest: [●] per cent per annum
- (x) Maximum Rate of Interest: [●] per cent per annum
- (xi) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360
30E/360
30E/360 (ISDA)
Other]
(See Condition 4 for alternatives)
- (xii) 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 and late payment: [Conditions 5(e)(iii) and 5(j) apply/specify other]
(Consider applicable day count fraction if not U.S.dollar denominated)
18. **Index-Linked Interest Note/other variable-linked interest Note Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Index/formula/other variable: [give or annex details]
 - (ii) Calculation Agent responsible for calculating the interest due: [●]
(Include name and address)
 - (iii) Provisions for determining Coupon where calculation by reference to Index and/or formula and/or other variable is impossible or impracticable or otherwise disrupted: [●]
(Need to include a description of market disruption or settlement disruption events and adjustment provisions)
 - (iv) Specified Period(s)/Specified Interest Payment Dates: [●]
 - (v) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
 - (vi) Business Centre(s): [●]
 - (vii) Minimum Rate of Interest: [●] per cent per annum
 - (viii) Maximum Rate of Interest: [●] per cent per annum
 - (ix) Day Count Fraction: [●]
19. **Dual Currency Interest Note Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]
 - (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: [●]
(Include name and address)
 - (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [Need to include a description of market disruption or settlement disruption events and adjustment provisions]
 - (iv) Person at whose option Specified Currency(ies) is/are payable: [●]

PROVISIONS RELATING TO REDEMPTION

20. 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)

21. 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)

22. Final Redemption Amount:

[[●] per Calculation Amount/specify other/see Appendix]

(N.B. If the Final Redemption Amount is other than 100 per cent of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Regulation will apply)

23. 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]

[If Subordinated Notes include:

Redemption upon the occurrence of a Capital Event:

Applicable, subject to Condition 5(k).

If the Issuer elects to redeem the Notes following the occurrence of a Capital Event pursuant to Condition 5(l), the Notes shall be redeemed in the amount of [[●] per Calculation Amount/specify other/see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. 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]

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

[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]

25. Financial Centre(s) or other special provisions relating to Payment Days:

[Not Applicable/give details.]
(Note that this item relates to the date and place of payment, and not interest period end dates, to which items 16(iii) and 18(vi) relate)

26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):

[Yes/No. If yes, give details]

27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]:

[Not Applicable/give details]

28. Details relating to Instalment Notes:
- (i) Instalment Amount(s): [Not Applicable/give details]
 - (ii) Instalment Date(s): [Not Applicable/give details]
29. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions in Condition 8(h) apply]
30. Consolidation provisions: [Not Applicable/The provisions in Condition 8(h) apply]
31. Additional U.S. Federal Income Tax Considerations: [Not Applicable/give details]
32. Other final terms: [Not Applicable/give details]
(When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplementary prospectus under Article 16 of the Prospectus Directive)

DISTRIBUTION

33. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names, addresses and underwriting commitments]
(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers)
- (ii) Date of Subscription Agreement: [●]
 - (iii) Stabilising Manager(s) (if any): [Not Applicable/give name(s)]
34. If non-syndicated, name and address of Dealer: [Not Applicable/give name and address]
35. Total (underwriting and placing) commission and concession: [●] per cent of the Aggregate Nominal Amount
36. 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 requirement under the TEFRA rules)]/TEFRA not applicable]
37. Non-exempt Offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and [specify, if applicable] other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) – which must be jurisdictions where the Prospectus and any supplements have been passported] (“Public Offer Jurisdictions”) during the period from [specify date] until [specify date] (“Offer Period”). See further paragraph 3 of Part B below.]
38. Additional selling restrictions: [Not Applicable/give details]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on *[specify relevant regulated market (for example, the EEA Regulated Market of the London Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)]*] of the Notes described herein] pursuant to the U.S.\$40,000,000,000 Global Medium Term Note Programme of Swedbank AB (publ).

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. *[[Relevant third party information, for example in compliance with Annex XII to the Prospectus Regulation in relation to an index or its components]* has been extracted from *[specify source]*. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by *[specify source]*, no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i) Listing: [London/SIX Swiss Exchange Ltd/other (specify)/None]

(ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [●] with effect from [●].]

[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 these Final Terms and the Prospectus are available at [●].]

(Need to include for Notes listed on the SIX Swiss Exchange Ltd)

[Not Applicable.]

(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)

2. RATINGS

Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated [insert details] by [insert credit rating agency name(s)].]

(Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.)

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

[[Insert credit rating agency] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]

[[*Insert credit rating agency*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009.]

[[*Insert credit rating agency*] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009.]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (the “CRA Regulation”). However, the application for registration under the CRA Regulation of [*insert the name of the relevant EU CRA affiliate that applied for registration*], which is established in the European Union, disclosed the intention to endorse credit ratings of [*insert credit rating agency*].]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (the “CRA Regulation”). The ratings [[have been]/[are expected to be]] endorsed by [*insert the name of the relevant EU-registered credit rating agency*] in accordance with the CRA Regulation. [*Insert the name of the relevant EU-registered credit rating agency*] is established in the European Union and registered under the CRA Regulation.]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, but it is certified in accordance with such Regulation.]

3. **TERMS AND CONDITIONS OF THE OFFER**

Offer Price:	[Not Applicable/ <i>Give details</i>]
[Conditions to which the offer is subject:	[Not Applicable/ <i>Give details</i>]]
[Description of the application process:	[Not Applicable/ <i>Give details</i>]]
[Details of the minimum and/or maximum amount of application:	[Not Applicable/ <i>Give details</i>]]
[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable/ <i>Give details</i>]]
[Details of the method and time limits for paying up and delivering the Notes:	[Not Applicable/ <i>Give details</i>]]
[Manner and date in which results of the offer are to be made public:	[Not Applicable/ <i>Give details</i>]]

[Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not Applicable/Give details]]

[Categories of potential investors to which the Notes are offered and whether Tranche(s) have been reserved for certain Countries: [Not Applicable/Give details]]

[Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable/Give details]]

[Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable/Give details]]

[Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.] [None/Give details]

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

“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.”]

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer: [●]
(See “Use of Proceeds” wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

[(ii) Estimated net proceeds: [●]
(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)]

[(iii) Estimated total expenses: [●] [Expenses are required to be broken down into each principal intended “use” and presented in order of priority of such “uses”.]
(N.B. If the Notes are derivative securities to which Annex XII of the Prospectus Regulation applies (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)]

6. **[Fixed Rate Notes only – YIELD]**

Indication of yield:

[●]

[Calculated as *[include details of method of calculation in summary form]* on the Issue Date.]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7. **[Floating Rate Notes only – HISTORIC INTEREST RATES]**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

8. **[Index-Linked or other variable-linked Notes only – PERFORMANCE OF INDEX/ FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING]**

[If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

(N.B. The requirements below only apply if the Notes are derivative securities to which Annex XII of the Prospectus Regulation applies.)

[Need to include details of where past and future performance and volatility of the index/ formula can be obtained.]

[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained.]

[Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Regulation.]]

9. **[Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT]**

[If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

(N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Regulation applies.)

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]]

10. **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 société anonyme 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 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] [No]
- [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 satisfaction of the Eurosystem eligibility criteria.] [include this text if “yes” selected in which case the Bearer Notes must be issued in NGN form]*

11. [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: [●]

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of at least €100,000 (or its equivalent in another currency).

[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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated [date] (the “Prospectus”) [and the supplementary prospectus dated [date]] which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC (the “Prospectus Directive”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the supplementary prospectus] [is] [are] available for viewing at [address] [and] [website] and copies may be obtained from [address].

[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 [Prospectus] dated [original date] which are incorporated by reference in the Prospectus dated [current date] and are attached hereto. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC (the “Prospectus Directive”) and must be read in conjunction with the Prospectus dated [current date] [and the supplementary prospectus dated [date]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus dated [current date] [and the supplementary prospectuses dated [date] and [date]]. The Prospectus [and the supplementary prospectuses] are available for viewing at [address] [and] [website] and copies may be obtained from [address].]

[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, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplementary 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: [●]
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)
3. **Specified Currency or Currencies:** [●]
4. **Aggregate Nominal Amount:** [●]
(i) Series: [●]
(ii) Tranche: [●]
5. **Issue Price:** [●] per cent of the Aggregate Nominal Amount
[plus accrued interest from [insert date] (if applicable)]
6. (i) **Specified Denomination(s):** [●]
[●]
(N.B. Where multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].")¹
(ii) **Calculation Amount:** [●]
(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations)
7. (i) **Issue Date:** [●]
(ii) **Interest Commencement Date:** [●]
8. **Maturity Date:** [Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
9. **Interest Basis:** [[●] per cent Fixed Rate]
[[specify reference rate]+/-[●] per cent Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Other (specify)]
(further particulars specified below)

¹ Not applicable if Notes being issued are in registered form.

10. **Redemption/Payment Basis:** [Redemption at par]
[Index Linked Redemption]
[Partly Paid] [Instalment]
[Other (*specify*)]

(N.B. If the Final Redemption Amount is other than 100 per cent of the nominal value, the Notes will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Regulation will apply)
11. **Change of Interest Basis or Redemption/Payment Basis:** [*Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis*]
12. **Put/Call Options:** [Investor Put] [Issuer Call]
[[further particulars specified below]]
13. [(i)] **Status of the Notes:** [Unsubordinated – Condition 3(a) will apply/ Subordinated and having a specified maturity (Dated Subordinated Notes) – Condition 3(b) will apply/Undated Subordinated Notes – Condition 3(c) will apply]
- [(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)
14. **Method of distribution:** [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **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 [annually/ semi-annually/quarterly/monthly] in arrear]
- (ii) **Interest Payment Date(s):** [[●] in each year up to and including the Maturity Date]/[specify other]
(N.B. This will need to be amended in the case of long or short coupons)
- (iii) **Fixed Coupon Amount(s):** [●] per Calculation Amount
(Applicable to Notes in definitive form)
- (iv) **Broken Amount(s):** [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
(Applicable to Notes in definitive form)
- (v) **Day Count Fraction:** [30/360 / Actual/Actual (ICMA) / *[specify other]*]
- (vi) **Determination Dates:** [●] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.*
N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration
N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))

- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]

16. Floating Rate Note Provisions:

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

- (i) Specified Period(s)/Specified Interest Payment Dates: [●]
- (ii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ *[specify other]*]
- (iii) 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): [●]
(Include name and address)
- (vi) Screen Rate Determination: [●]
- Reference Rate: [●]
(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)
- Interest Determination Date(s): [●]
(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) Margin(s): [+/-][●] per cent per annum
- (ix) Minimum Rate of Interest: [●] per cent per annum
- (x) Maximum Rate of Interest: [●] per cent per annum
- (xi) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)]

- Actual/365 (Sterling)
 Actual/360
 30/360
 30E/360
 30E/360 (ISDA)
 Other]
 (See Condition 4 for alternatives)
- (xii) 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 and late payment: [Conditions 5(e)(iii) and 5(j) apply/specify other]
 (Consider applicable day count fraction if not U.S.dollar denominated)
18. **Index-Linked Interest Note/other variable-linked interest Note Provisions:** [Applicable/Not Applicable]
 (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Index/formula/other variable: [give or annex details]
- (ii) Calculation Agent responsible for calculating the interest due: [●]
 (Include name and address)
- (iii) Provisions for determining Coupon where calculation by reference to Index and/or formula and/or other variable is impossible or impracticable or otherwise disrupted: [●]
 (Need to include a description of market disruption or settlement disruption events and adjustment provisions)
- (iv) Specified Period(s)/Specified Interest Payment Dates: [●]
- (v) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (vi) Business Centre(s): [●]
- (vii) Minimum Rate of Interest: [●] per cent per annum
- (viii) Maximum Rate of Interest: [●] per cent per annum
- (ix) Day Count Fraction: [●]

19. **Dual Currency Interest Note Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]
 - (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: [●]
(Include name and address)
 - (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: *(Need to include a description of market disruption or settlement disruption events and adjustment provisions)*
 - (iv) Person at whose option Specified Currency(ies) is/are payable: [●]

PROVISIONS RELATING TO REDEMPTION

20. **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)
21. **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)

22. Final Redemption Amount:

[[●] per Calculation Amount/specify other/see Appendix]

(N.B. If the Final Redemption Amount is other than 100 per cent of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Regulation will apply)

23. 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]

[If Subordinated Notes include:

Redemption upon the occurrence of a Capital Event:

Applicable, subject to Condition 5(k).

If the Issuer elects to redeem the Notes following the occurrence of a Capital Event pursuant to Condition 5(l), the Notes shall be redeemed in the amount of [[●] per Calculation Amount/specify other/see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. 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]¹

[Temporary Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date]²

[Swiss Global Note]]

[Registered Notes:

Unrestricted Registered Global Note ([currency

¹ 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].

² 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].

- and amount] nominal amount)/Restricted Registered Global Note ([currency and amount] nominal amount)]
- (ii) New Global Note: [Yes] [No]
25. Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]
(Note that this item relates to the date and place of payment, and not interest period end dates, to which items 16(iii) and 18(vi) relate)
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]: [Not Applicable/give details]
28. Details relating to Instalment Notes:
- (i) Instalment Amount(s): [Not Applicable/give details]
- (ii) Instalment Date(s): [Not Applicable/give details]
29. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions in Condition 8(h) apply]
30. Consolidation provisions: [Not Applicable/The provisions in Condition 8(h) apply]
31. Additional U.S. Federal Income Tax Considerations: [Not Applicable/give details]
32. Other final terms: [Not Applicable/give details]

(When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplementary prospectus under Article 16 of the Prospectus Directive)

DISTRIBUTION

33. (i) If syndicated, names of Managers: [Not Applicable/give names]
- (If the Notes are derivative securities to which Annex XII of the Prospectus Regulation applies, include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers)*
- (ii) Date of Subscription Agreement: [•]
(The above is only relevant if the Notes are derivative securities to which Annex XII of the Prospectus Regulation applies)

- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name(s)]
34. If non-syndicated, name of Dealer: [Not Applicable/give name]
35. 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]
36. Additional selling restrictions: [Not Applicable/give details]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on [*specify relevant regulated market (for example, the EEA Regulated Market of the London Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)*] of the Notes described herein] pursuant to the U.S.\$40,000,000,000 Global Medium Term Note Programme of Swedbank AB (publ).

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[*Relevant third party information, for example in compliance with Annex XII to the Prospectus Regulation in relation to an index or its components*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i) Listing: [London/SIX Swiss Exchange Ltd/other (specify)/None]

(ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [●] with effect from [●].]

[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 these Final Terms and the Prospectus are available at [●].]

(Need to include for Notes listed on the SIX Swiss Exchange Ltd)

[Not Applicable.]

(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 credit rating agency name(s)].]

(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 credit rating agency] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]

[[Insert credit rating agency] is established in the European Union and is registered under Regulation (EC) No. 1060/2009.]

[[Insert credit rating agency] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009.]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (the “CRA Regulation”). However, the application for registration under the CRA Regulation of [insert the name of the relevant EU CRA affiliate that applied for registration], which is established in the European Union, disclosed the intention to endorse credit ratings of [insert credit rating agency].]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (the “CRA Regulation”). The ratings [[have been]/[are expected to be]] endorsed by [insert the name of the relevant EU-registered credit rating agency] in accordance with the CRA Regulation. [Insert the name of the relevant EU-registered credit rating agency] is established in the European Union and registered under the CRA Regulation.]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, but it is certified in accordance with such Regulation.]

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

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

“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.”]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- | | | |
|---------|---------------------------|-----|
| [(i)] | Reasons for the offer: | [●] |
| [(ii)] | Estimated net proceeds: | [●] |
| [(iii)] | Estimated total expenses: | [●] |

(N.B. Delete unless the Notes are derivative securities to which Annex XII of the Prospectus Regulation applies, in which case (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)

5. **[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.]

6. **[Index-Linked or other variable-linked Notes only – PERFORMANCE OF INDEX/FORMULA/ OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING]**

[Need to include details of where past and future performance and volatility of the index/ formula can be obtained.]

[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained.]

[Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Regulation.]

(N.B. This paragraph 6 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Regulation applies.)

7. **[Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE]**

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]

(N.B. This paragraph 7 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Regulation applies.)

8. **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 société anonyme 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 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] [No]

[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 satisfaction of the Eurosystem eligibility criteria.] *[include this text if “yes” selected in which case the Bearer Notes must be issued in NGN form]*

9. **[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 <i>[insert date of most recent financial statements]</i> . |
| (iv) Taxation in Switzerland: | [●] |

COMMENTS ON CERTAIN ASPECTS OF SWEDISH LAW

The following is a summary of certain aspects of Swedish Law. The summary does not incorporate all aspects of Swedish law which may be relevant in connection with the Notes.

Providers of conditional capital contributions are strictly speaking neither creditors nor shareholders of the Issuer. They are providers of conditional capital contributions who may be repaid if there are sufficient funds available following payment to all creditors ranking prior the Holders/providers of conditional capital contributions in connection with the liquidation or bankruptcy of the Issuer. Although there is no specific statutory Swedish law relating to the ranking of claims of providers of conditional capital contributions in a liquidation or bankruptcy, the rights of providers of conditional capital contributions will – provided the articles of association of the Issuer at the time of the liquidation or bankruptcy contain the provision contemplated in the terms and conditions of the Notes – in any such liquidation or bankruptcy be as set out in the terms and conditions of the Notes and, consequently, in such an event providers of conditional capital contributions would be paid amounts represented by their conditional capital contributions ahead of any payments being made to shareholders in their capacity as such.

Under Swedish law, as currently in force, shareholders of a Swedish limited liability company owning in aggregate ten per cent or more of the outstanding shares of such company have the right to demand the payment of dividends from the profits of the company in accordance with the Swedish Companies Act. Following such request, the general meeting of shareholders will, however, not be obliged to declare dividends exceeding the lower of (1) half of the net profit of the year less (i) any loss brought forward, to the extent it exceeds free reserves, and (ii) any amount which shall be allocated to restricted reserves and (2) an amount corresponding to five per cent of the equity of the company. On top of this there is also a general rule of caution providing that dividends may only be declared if it “appears to be justified taking into consideration (1) the demands with respect to shareholders’ equity which are imposed by nature, scope and risks associated with the operation and (2).....need to strengthen [the] balance sheet, liquidity and financial position in general” of the company and the group.

It should be noted that, due to the hierarchy between the different corporate bodies of a Swedish limited liability company, the general meeting of shareholders being superior and the only one competent to decide upon distribution of dividends to shareholders, it is, as a matter of principle, not formally possible to prevent a general meeting of shareholders in the Swedish company resolving that dividends shall be paid by such company, even if the distribution of such dividends may contradict or breach an undertaking which has been entered into by the company in respect of the non-payment of dividends in certain circumstances.

SWEDBANK AB (PUBL)

Overview

The Issuer, Swedbank AB, is a public limited liability bank company (Sw: *Bankaktiebolag*) incorporated under Swedish law and headquartered in Stockholm. It has its registered office at Brunkebergstorg 8, SE-105 34 Stockholm, telephone number +46 8 5859 0000 and was registered in the Swedish Companies Registration Office in Sundsvall under registration number 502017-7753 on 24 April 1942. Swedbank AB's shares are listed on NASDAQ OMX Stockholm AB. According to its Articles of Association, the corporate purpose of Swedbank AB is to conduct banking business and financing operations, and operations naturally connected therewith.

As of 31 December 2010, the Group served a total of more than 9.6 million private customers and more than 700,000 corporate customers through more than 900 branches in 13 countries, primarily in its principal markets of Sweden, Estonia, Latvia and Lithuania. The Group offers a broad range of products and services, including retail banking, corporate and investment banking, asset management and insurance products, with the majority of the Group's income in 2010 deriving from its Swedish retail banking services. As of 31 December 2010, the Group had 17,224 full-time employees.

The Group has a long-standing history dating back to 1820 when the first savings bank was founded in Sweden. In the early 1990s, each of Sparbanken Sverige and Föreningsbanken were 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 AB 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). Over the past seven years, Swedbank has expanded into Russia and, with the acquisition of TAS-Kommerzbank (now JSC Swedbank) in 2007, into Ukraine. Swedbank consists of six business areas (Retail, Large Corporates & Institutions, Baltic Banking, Asset Management, Russia & Ukraine and Ektornet) supported by Group Functions.

Strategy

Swedbank – a Bank for the Many

Swedbank is a bank for the many, meaning an inclusive rather than exclusive bank. The Group's aim is to maintain large customer bases, long-term customer relationships and high market shares in its home markets. The Group achieves cost efficiencies through large customer bases and business volumes, co-ordination and efficient processes.

Close to Customers

Swedbank firmly believe that a traditional banking model focused on close customer relationships and advisory services best promotes the Group's purpose.

Close customer relationships and a high level of service are enabled by a widespread branch network, coupled with highly advanced internet, telephone and mobile banks as well as ATMs. Always being available for customers on their terms through a variety of channels is strategically more important than whether or not every financial service is managed by the Group. Mutual funds, property insurance and debit and credit cards are among the financial services the Group offers Swedish customers as a primary channel or from other suppliers. This service is enhanced through collaboration with the savings banks and franchises of Swedbank Fastighetsbyrå (real

estate brokerage), Swedbank Juristbyrå (legal services) and Swedbank Företagsförmedling (company sales) as well as alliances with other suppliers.

Decentralised Decision-Making

All of the Group's business operations are managed locally with decentralised decision-making as close to the customer as possible. Local organisations with responsibility for customers and credit are supported by shared product systems, decision support systems as well as rules and regulations. Co-ordinating product development and production between business areas and throughout the Group is an important part of this.

Decentralised decision making puts stringent demands on governance and monitoring as well as continuous competence development and considerable investment in ongoing staff training.

A Low Risk Level

The Group strives to maintain a low risk level. The Group's long-term risk profile is managed with the objective that the core Tier 1 ratio impact from a severely stressed scenario, defined in the Group's annual Internal Capital Adequacy Assessment Process (ICAAP), shall not decline by more than three percentage points.

The vast majority of exposures are in mature markets such as Sweden. Good risk diversification is intended to be achieved through a broad base of customers and businesses from many different industries. The Group also aims to maintain a sustainable balance between lending and deposits in all its markets. Customers' cash flow, solvency and collateral are always the key lending variables. Strong internal control of credit, market and operational risks ensure the desired long-term risk profile.

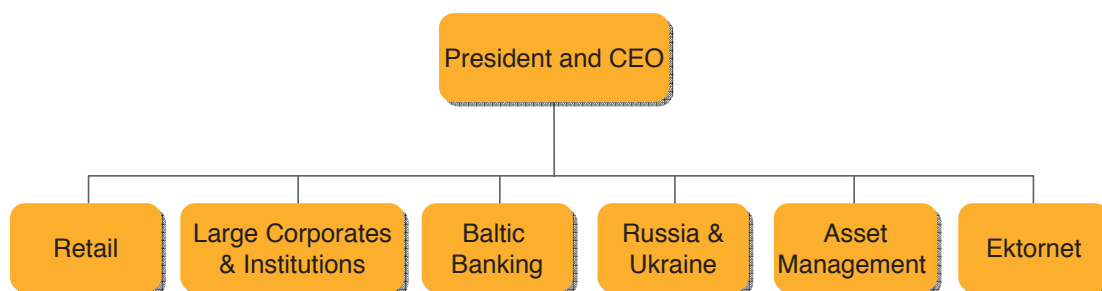
Priorities

The Group has a number of priorities tied to its long-term strategies to achieve the Group's desired position:

- Customer Focus – the goal is to improve customer satisfaction and actively match our employee competence mix with customer demand.
- Growth in Selective Segments – the goal is to increase market share in new sales to mid-sized companies and private banking customers and reduce the number of exposures with risk-adjusted returns below the hurdle rate.
- Quality and Effectiveness – the goal is to reduce operational risks and keep operating expenses (excluding variable pay) flat.
- Robust and Low-Risk Balance Sheet – the goal is to replace maturing state guaranteed funding primarily with covered bonds and improve ratings.

Business Areas

The Group comprises six business areas supported by Shared services & Group staffs.



Retail

As of 31 December 2010, Retail is the Group's largest business area, offering a complete range of financial products and services to private customers as well as small and medium-sized companies through 597 branches as well as the Telephone Bank and Internet Bank in Sweden. The Group's products are also sold through the co-operating savings banks. Retail is supported by a number of subsidiaries in Sweden, for example, Swedbank Mortgage (responsible for long-term mortgage lending) and Swedbank Finans (leasing products). The subsidiary bank in Luxembourg and the representative office in Spain are also included in the business area. Customer loans in Retail represented approximately 66 per cent of the Group's total customer loans outstanding as of 31 December 2010.

Large Corporates & Institutions

In Large Corporates & Institutions (LC&I), the Group has consolidated its services for large Nordic and Baltic companies, financial institutions, organisations and banks, namely those entities with sales exceeding SEK 2 billion or more complex needs. The business area was established during 2010 and has fully integrated the former Swedbank Markets. The same applies to First Securities, which has been wholly-owned by Swedbank AB since November 2010. Operations are carried out by Swedbank in Sweden, branches in Norway, Denmark, Finland, the U.S. and China, and the wholly-owned subsidiaries First Securities in Norway and Swedbank First Securities LLC in New York, in addition to the trading and capital market operations in subsidiaries in Estonia, Latvia and Lithuania. Customer loans in Large Corporates & Institutions represented approximately 23 per cent of the Group's total customer loans outstanding as of 31 December 2010.

Baltic Banking

Baltic Banking offers a complete 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 220 branches as well as the Telephone Bank and Internet Bank.

The Group holds leading positions in several key market segments in its Baltic home markets.¹ Customer loans in Baltic Banking represented approximately 10 per cent of the Group's total customer loans outstanding as of 31 December 2010.

Russia & Ukraine

Russia & Ukraine comprises the Group's operations in these countries. Customer loans in Russia and Ukraine represented approximately one per cent of the Group's total customer loans outstanding as of 31 December 2010. The business area was formed in April 2010 as a result of organisational changes in the Group. The Group currently offers products and services for private and corporate customers. Because of the decision to change the focus of the Russian business to

¹Statistics Sweden, Estonian Central Bank, Association of Commercial Banks of Latvia, The Financial and Capital Market Commission (Latvia), Association of Lithuanian Banks, public interim reports and Swedbank estimates

supporting corporate customers from the Group's primary markets, the Group will gradually phase out its private customer service.

Asset Management

Asset Management, which comprises the subsidiary Swedbank Robur Group, offers services in fund management, institutional and discretionary asset management in all of the Group's home markets. Customers include private customers as well as institutions, foundations, municipalities, county councils and other investors. Swedbank Robur's business includes over 150 funds, discretionary asset management and pensions management. Products are sold and distributed primarily by Retail and Baltic Banking and the savings banks in Sweden.

Ektornet

Ektornet is an independent subsidiary of Swedbank AB, established during the third quarter of 2009. The purpose of its operations is to manage the Group's repossessed assets and develop them over time in order to recover as much value as possible. Most of the collateral consists of real estate, the large part of which is located in the Baltic countries, though also in the Nordic region, the U.S. and Ukraine. Operations were commenced by year-end 2009, when the first assets from these markets were transferred to Ektornet.

Shared services & Group staffs

During autumn 2010, the Group implemented a new support function, Shared services & Group staffs, which combines Group IT, Group Products and Group Shared Services.

Key Geographic Markets and Competition

The Group currently has four geographical home markets: Sweden, Estonia, Latvia and Lithuania. To support business in these markets, the Group is also established in neighbouring markets such as Finland, Norway, Denmark and Russia as well as financially important countries such as the U.S. and China. The Group also conducts banking operations in Ukraine and Luxembourg. In all the Baltic countries, competition has begun to increase again as the economy appears to recover and profitability seems to improve on the heels of considerably lower credit impairments.

Sweden

The banking sector is fairly concentrated in the Group's home markets. In Sweden, the Group, Handelsbanken, Nordea, SEB and Danske Bank accounted for about 85 per cent of deposits and lending in 2010, according to the Swedish Central Bank (Sw: *Riksbanken*). These major banks offer a wide range of financial products and services and compete in all key product segments. The Group is the biggest in retail banking and the market leader in mortgage loans (27 per cent), deposits from private customers (24 per cent) and fund management (24 per cent) as of 31 December 2010. In the Swedish corporate market, the Group's share is 17 per cent for lending and 17 per cent for deposits as of 31 December 2010.¹ Consumers have been more willing to change banks in recent years in a generally stable market. In the last year banking customers have shown a tendency to turn to the major banks due to turbulence among smaller players.

Estonia

The Estonian banking sector is even more concentrated than Sweden's. The market is dominated by foreign companies. As of 31 December 2010, the Group, SEB, Nordea and Danske Bank controlled around 90 per cent. The Group had a market share of 55 per cent for household deposits and 47 per cent for household lending as of 31 December 2010. In the Estonian corporate

¹Statistics Sweden, public interim reports and Swedbank estimates

market, the Group's share was 40 per cent for lending and 40 per cent for deposits as of 31 December 2010.¹

Latvia

Latvia has a more fragmented market where local banks account for 30 to 50 per cent of the various segments. As of 31 December 2010, the Group accounted for 23 per cent of household deposits and 27 per cent of household lending. In the corporate market, its share was 21 per cent for lending and 10 per cent for deposits as of 31 December 2010.²

Lithuania

Like Sweden, the banking market in Lithuania is dominated by a few major players. As of 31 December 2010, the Group accounted for 32 per cent of household deposits and 26 per cent of household lending. In the corporate market, the Group's share was 21 per cent for lending and 22 per cent for in deposits as of 31 December 2010.³

Funding

The main funding sources of the Group consist of deposits from the public, covered bonds and unsecured issued debt. The Group has a well-diversified investor base.

During the autumn of 2008, access for banks to wholesale funding markets was substantially reduced. This trend was exacerbated by the collapse of Lehman Brothers in September 2008. On 7 November 2008, Swedbank AB entered into a guarantee commitment with the Swedish National Debt Office. Since August 2009, Swedbank AB has not issued further debt under the Swedish guarantee and exited the Guarantee Programme in April 2010.

The Group intends to gradually replace its outstanding issues of state-guaranteed debt primarily with covered bonds. The objective of this transition is favorable effects to the net interest income due to lower interest cost, as well as improved investor and rating agency assessments of its credit. In line with this strategy, the Group instituted a U.S.\$15,000 million programme for the issuance of covered bonds under rule 144A in March 2011.

Guarantee to Swedbank Mortgage AB (publ)

On 17 December 2009, Swedbank AB issued a general, unconditional and irrevocable guarantee (the "Guarantee") in respect of all presently outstanding and future unsubordinated debt instruments issued by Swedbank Mortgage AB (publ) ("Swedbank Mortgage"), a wholly-owned subsidiary of Swedbank AB.

Risk Management

A central part of Swedbank AB's activities consists of identifying, measuring, controlling and reporting internally the risks associated with its operations. Swedbank AB has identified the risks that its operations generate and has designed a generic process for managing them. The principal risks facing Swedbank AB's business segments are credit risk, liquidity risk, market risk (which encompasses interest rate, currency, share price and derivative risks) and operational risk. The purpose of Swedbank AB's risk management process is to continuously evaluate, monitor and manage the size and concentration of these risks. The risk process protects the Group against unwanted risks and provides a clear description of the Group's risk profile. However, it is difficult

¹Estonian Banking Association

²Association of Latvian Commercial Banks

³Association of Lithuanian Banks

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 business operations.

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

Successful risk management requires that a strong risk culture and a common approach is integrated throughout the whole Group. The Board of Directors has ultimate responsibility for the Group's risk-taking and capital assessment. Through an Enterprise Risk Management (ERM) Policy, the Board of Directors provides guidelines for the CEO on risk management, risk control, and risk and capital assessments. The policy describes the connection between risk and capital and how risk management supports the business strategy. It contains the three lines of defense, the risk process, the risk universe (i.e. which risks the Group has identified), the fundamental principles of risk management, as well as roles and responsibilities. In addition to this framework, and serving as protection against unforeseen losses, the Group also maintains a capital buffer. The ERM policy includes guidelines for the size of this buffer based on the level of risk currently being taken by the Group.

First Line of Defence – Risk Management by Operations

Each of the Group's business units and subsidiaries bears full responsibility for the risks its operations create. Closest to the Group's customers are the local branches and it is they who have the prime knowledge about the customer and the specific markets that the customer operates in. It is also they who can best assess the risk. By delegating responsibility, the organisation can also respond more rapidly if problems arise. Clear procedures and processes are in place regarding how credit is to be approved, reviewed and managed in the event that the borrower experiences problems in meeting payments. Standardised risk classification tools provide support in the credit approval process. To support business operations, expertise in various areas is available centrally, for example, in the assessment of larger individual customer commitments.

Risk management is based on clear targets and strategies, policies and guidelines explaining how the Group operates in various regards, an efficient operating structure and a simple and clear reporting structure.

Second Line of Defence – Credit, Risk Control and Compliance

The second line of defence consists of the Credit, Risk Control and Compliance functions.

These functions are designed to uphold principles and frameworks for risk management and facilitate risk assessment. They are also designed to promote a sound risk culture, and in this way strengthen business operations, by supporting and training employees of the Group's business areas. These functions have been reinforced in the wake of the financial crisis. Risk Control and Compliance also conducts independent reviews.

The Credit organisation issues internal regulations, such as mandate structures for credit decisions, or minimum requirements for customer cash flow and collateral. There is business expertise in the Group that supports the business organisation and the risk assessment, e.g. with assessments of risk in larger credit exposures. For exposures above certain sizes, the decisions are taken in credit committees headed by someone from the Credit organisation in order to create duality within the business organisation.

The independent risk function, Group Risk Control, is responsible for identification, quantification, analysis and reporting of all risks. Group Risk Control conducts regular analyses of how external and socio-economic events might impact the Group. This work is done within a matrix organisation, where specialised units for each risk type work with methodology development and

consolidation on Group level, and local Risk Control units in each business area identify, analyse and report risks. All risks are assessed based on the likelihood that a particular event will occur and its consequences.

To complement these, stress tests are carried out to assess the effects of more dramatic, but nonetheless possible, external changes, such as the effects of falling home prices, increased unemployment and low or negative economic growth. These stress tests contribute to the assessment of whether or not measures need to be taken to mitigate the Group's risk. As an example, unemployment is stressed to reach 20 per cent and the repo rate is increased to 10 per cent. When this stress scenario was run based on full year 2009 financials, the exposure-at-risk for the Group's total private mortgage loan portfolio amounted to SEK 3.8 billion. Each larger business unit has a local compliance function that identifies and reports compliance risks and that helps management address these risks.

Third Line of Defence – Internal Audit

The Internal Audit, a subsidiary body of the Board of Directors, conducts regular independent reviews of management and risk control, as well as other internal control functions. The purpose of the Internal Audit is to generate value by contributing to lasting improvements in operations.

Management

Board of Directors

The Board of Directors consists of ten members elected by the Annual General Meeting (the "AGM"). The majority of members elected by the AGM are independent in relation to Swedbank AB and the Group Executive Committee and independent in relation to Swedbank AB's major shareholders. The Board of Directors also includes two employee representatives in accordance with special agreements with the Financial Sector Union of Sweden and Akademikerförbundet.

The members of the Board of Directors, their year of birth, the year of their initial election as regards the directors and the year of their initial appointment as regards the employee representatives, their position, whether or not they are independent according to the requirements set out in NASDAQ OMX Stockholm AB's Rule Book for Issuers (the "Rule Book") and the Swedish Code of Corporate Governance (the "Code"), are set forth in the following table.

Name	Year of birth	Board member since	Position	Independent/dependent
Lars Idermark	1957	2010	Chair	Independent
Anders Sundström	1952	2009	Deputy Chair	Dependent in relation to Swedbank AB's major shareholders
Ulrika Francke	1956	2002	Member	Independent
Berith Hägglund-Marcus	1950	2005	Member	Independent
Göran Hedman	1954	2010	Member	Dependent in relation to Swedbank AB due to employment and independent in relation to Swedbank AB's major shareholders
Anders Igel	1951	2009	Member	Independent
Helle Kruse Neilson	1953	2008	Member	Independent
Pia Rudengren	1965	2009	Member	Independent
Karl-Henrik Sundström	1960	2009	Member	Independent
Siv Svensson	1957	2010	Member	Independent
Kristina Janson	1953	2009	Employee Representative	—
Jimmy Johnsson	1976	2009	Employee Representative	—

The office address of the members of the Board of Directors is c/o Swedbank AB (publ), Brunkebergstorg 8, SE-105 34 Stockholm, Sweden. None of the Board members have any family relationship with any other Board member or members of the Group Executive Committee.

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

Group Executive Committee

The table below sets forth the name, year of birth, current position, year of employment at Swedbank AB as of 31 December 2010, of members of the Group Executive Committee including the President and CEO.

Name	Year of birth	Employed since	Position
Michael Wolf	1963	2008	President and CEO
Thomas Backteman	1965	2009	Head of Corporate Affairs
Håkan Berg	1955	1985	Head of Baltic Banking
Mikael Björknert	1966	2010	Head of Group Business Support
Göran Bronner	1962	2009	CRO, Group Chief Risk Officer
Stefan Carlsson	1961	2009	Head of Large Corporates and Institutions
Catrin Fransson	1962	1987	Head of Retail
Magnus Gagner-Geeber	1969	1990	Head of Large Corporates
Marie Hallander Larsson	1961	2009	Head of Group Human Resources
Cecilia Hernqvist	1960	1990	Head of Group Legal
Erkki Raasuke	1971	1994	CFO, Group Chief Finance Officer
Annika Wijkström	1951	1986	Head of Russia & Ukraine

The office address of the members of the Group Executive Committee is c/o Swedbank AB (publ), Brunkebergstorg 8, SE-105 34 Stockholm, 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.

There are no potential conflicts of interest between any duties owed to Swedbank AB by any member of the Group Executive Committee, listed above, and their private interests or other duties.

Auditor

The Auditor is appointed by the AGM after being nominated by the Nomination Committee. The Auditor is elected for a period of one year. The Auditor presented his review and comments to the Board of Directors four times during the current mandate, one of which was in the CEO's absence. In addition, the Auditor regularly meets the Chair of the Board and the Chair of the Audit and Compliance Committee. The Group's interim reports are reviewed by its Auditor.

In accordance with its Articles of Association, Swedbank AB shall have no less than one or more than two authorised public accountants. The appointed Auditor is Deloitte AB, Sweden, with Authorised Public Accountant Svante Forsberg as responsible Auditor. Svante Forsberg has supervised auditing duties for Swedbank AB since 2010.

CLEARING AND SETTLEMENT

Custodial and depositary links have been established with Euroclear, Clearstream, Luxembourg and DTC to facilitate the initial issuance of Notes and cross-market transfers of Notes between investors associated with secondary market trading. Transfers within Euroclear, Clearstream, Luxembourg and DTC will be in accordance with the usual rules and operating procedures of the relevant system.

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.

DTC

DTC is a limited-purpose trust company organised under the laws of the State of New York and a "banking organisation" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities for DTC participants and facilitates the clearance and settlement of securities transactions between DTC participants through electronic book-entry changes in accounts of DTC participants. DTC participants include securities brokers and dealers, banks, trust companies and clearing corporations and certain other organisations. Indirect access to DTC is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly.

Holders of book-entry interests in the Notes holding through DTC will receive, to the extent received by the Registrar, all distributions of principal and interest with respect to book-entry interests in the Notes from the Registrar through DTC. Distributions in the United States will be subject to relevant U.S. tax laws and regulations.

The laws of some states of the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer interests in a Registered Global Note to such persons may be limited. Because DTC, Euroclear and Clearstream, Luxembourg can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Registered Global Note to pledge such interest to persons or entities

which do not participate in the relevant clearing system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

The aggregate holdings of book-entry interests in the Notes in Euroclear, Clearstream, Luxembourg and DTC will be reflected in the book-entry accounts of each such institution. As necessary, the Registrar will adjust the amounts of Notes on the Register for the accounts of (i) Euroclear and Clearstream, Luxembourg and (ii) DTC to reflect the amounts of Notes held through Euroclear and Clearstream, Luxembourg and DTC, respectively. Beneficial ownership in Notes will be held through financial institutions as direct and indirect participants in Euroclear, Clearstream, Luxembourg and DTC. Euroclear, Clearstream, Luxembourg or DTC, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Notes will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the Notes. The Registrar will be responsible for maintaining a record of the aggregate holdings of Notes registered in the name of a nominee for the common depository for Euroclear and Clearstream, Luxembourg, a nominee for the common safekeeper, a nominee for DTC and/or Holders of Notes represented by Registered Definitive Notes. The Registrar will be responsible for ensuring that payments received by it from the Issuer for Holders of interests in the Notes holding through Euroclear and Clearstream, Luxembourg are credited to Euroclear and Clearstream, Luxembourg, as the case may be, and the Registrar will also be responsible for ensuring that payments received by the Registrar from the Issuer for Holders of interests in the Notes holding through DTC are credited to DTC.

The Issuer will not impose any fees in respect of the Notes; however, Holders of book-entry interests in the Notes may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear, Clearstream, Luxembourg or DTC.

Interests in an Unrestricted Registered Global Note and a Restricted Registered Global Note will be in uncertificated book-entry form. Purchasers electing to hold book-entry interests in the Notes through Euroclear and Clearstream, Luxembourg accounts will follow the settlement procedures applicable to conventional eurobonds. Book-entry interests in the Registered Global Notes will be credited to Euroclear participants' securities clearance accounts on the business day following the relevant issue date against payment (value such issue date), and to Clearstream, Luxembourg participants' securities custody accounts on the relevant issue date against payment in the same day funds. DTC participants acting on behalf of purchasers electing to hold book-entry interests in the Notes through DTC will follow the delivery practices applicable to securities eligible for DTC's Same-Day Funds Settlement ("SDFS") system. DTC participant securities accounts will be credited with book-entry interests in the Notes following confirmation of receipt of payment to the Issuer on the relevant issue date.

Secondary Market Trading in relation to Registered Global Notes

Trading between Euroclear and/or Clearstream, Luxembourg participants: Secondary market sales of book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the Notes through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional eurobonds.

Trading between DTC participants: Secondary market sales of book-entry interests in the Notes between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's SDFS system in same-day funds, if payment is effected in U.S. dollars. Where payment is not

effected in U.S. dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

Trading between DTC seller and Euroclear/Clearstream, Luxembourg purchaser: When book-entry interests in Notes are to be transferred from the account of a DTC participant holding a beneficial interest in a Restricted Registered Global Note to the account of a Euroclear or Clearstream, Luxembourg accountholder wishing to purchase a beneficial interest in an Unrestricted Registered Global Note (subject to the certification procedures provided in the Agency Agreement), the DTC participant will deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12 noon, New York time, on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg participant. On the settlement date, the Custodian will instruct the Registrar to (i) decrease the amount of Notes registered in the name of Cede & Co. and evidenced by the Restricted Registered Global Note and (ii) increase the amount of Notes registered in the name of the nominee of the common depository for Euroclear and Clearstream, Luxembourg or the nominee of the common safekeeper, as the case may be, and evidenced by the Unrestricted Registered Global Note. Bookentry interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant accountholder on the first business day following the settlement date.

Trading between Euroclear/Clearstream, Luxembourg seller and DTC purchaser: When book-entry interests in the Notes are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder to the account of a DTC participant wishing to purchase a beneficial interest in the Restricted Registered Global Note (subject to the certification procedures provided in the Agency Agreement), the Euroclear or Clearstream, Luxembourg participant must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 7:45 p.m., Brussels or Luxembourg time, one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg as the case may be, will in turn transmit appropriate instructions to the common depository for Euroclear and Clearstream, Luxembourg or the common safekeeper, as the case may be, and the Registrar to arrange delivery to the DTC participant on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg accountholder, as the case may be. On the settlement date, the common depository for Euroclear and Clearstream, Luxembourg or the common safekeeper, as the case may be, will (a) transmit appropriate instructions to the Custodian who will in turn deliver such book-entry interests in the Notes free of payment to the relevant account of the DTC participant and (b) instruct the Registrar to (i) decrease the amount of Notes registered in the name of the nominee of the common depository for Euroclear and Clearstream, Luxembourg or the nominee of the common safekeeper, as the case may be, and evidenced by the Unrestricted Registered Global Note and (ii) increase the amount of Notes registered in the name of Cede & Co. and evidenced by the Restricted Registered Global Note.

Although the foregoing sets out the procedures of Euroclear, Clearstream, Luxembourg and DTC in order to facilitate the transfers of interests in the Notes among participants of DTC, Clearstream, Luxembourg and Euroclear, none of Euroclear, Clearstream, Luxembourg or DTC is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee, the Registrar, any Paying Agent, any Transfer Agent, any Dealer or any affiliate of any of the above will have any responsibility for the performance by DTC, Euroclear and Clearstream, Luxembourg or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described above.

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 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 "Forms of Notes; Summary of Provisions relating to the Notes while in Global Form".

TAXATION

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 resident in Sweden for tax purposes nor engaged in trade or business in Sweden through a permanent establishment to which the Notes are effectively connected. A person is resident for tax purposes in Sweden if he (i) is domiciled in Sweden or (ii) has his habitual abode in Sweden or (iii) is present in Sweden for six consecutive months, or (iv) earlier has been domiciled in Sweden and after having moved abroad continues to have an essential connection with Sweden (for example is engaged in trade or business in Sweden).

Under Swedish tax law as presently in effect (which is, however, limited by the applicable tax treaty for the avoidance of double taxation for a large number of jurisdictions when it comes to this particular rule), a holder of Notes who is a private individual not resident for tax purposes in Sweden but who has been domiciled in Sweden or has had a habitual abode in Sweden at any time during the calendar year of disposal or redemption or during the preceding ten calendar years, is subject to capital gains taxation in Sweden upon disposal or redemption of certain Notes that are deemed equity-related for Swedish tax purposes.

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 to a holder who is a private individual or an estate of a deceased individual with tax residence in Sweden.

United States Federal Income Tax Considerations

TO ENSURE COMPLIANCE WITH U.S. TREASURY DEPARTMENT REGULATIONS, PROSPECTIVE INVESTORS ARE ADVISED THAT ANY TAX DISCUSSION HEREIN WAS NOT WRITTEN AND IS NOT INTENDED TO BE USED AND CANNOT BE USED BY ANY TAXPAYER FOR PURPOSES OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER. ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE NOTES TO BE ISSUED PURSUANT TO THIS PROSPECTUS. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The following summary describes certain United States federal income tax considerations of the ownership of Notes by United States Holders (as defined below) as of the date hereof. Except where noted, it deals only with Registered Notes held as capital assets by initial purchasers of Notes and acquired in the initial offering at the "issue price" (as defined below) and does not address state, local, foreign or other tax laws. In particular, this summary does not deal with special situations, such as those of dealers or traders in securities or currencies, financial institutions, insurance companies, regulated investment companies, tax-exempt organizations, persons holding Notes as part of a position in a "straddle" or as part of a hedging transaction or "conversion transaction" for United States federal income tax purposes, persons that enter into a "constructive sale" transaction with respect to the Notes, securities traders that elect mark-to-market tax accounting, persons subject to alternative minimum tax, certain United States expatriates or United States Holders whose "functional currency" is not the United States Dollar.

This summary does not address any tax consequences applicable to holders of an equity interest in holders of Notes. Furthermore, the discussion below is based upon the provisions of the Internal Revenue Code of 1986 (the “Code”), proposed, temporary and final Treasury regulations promulgated thereunder, rulings and judicial decisions as of the date hereof, and such authorities may be repealed, revoked or modified, possibly retroactively, so as to result in United States federal income tax consequences different from those discussed below.

Additionally, this discussion assumes that the Notes will be treated as debt for United States federal income tax purposes and does not address all types of Notes that may be offered under the Programme, such as Notes that are treated as “contingent payment debt instruments” for such purposes, Notes that are subject to a “call” option, Undated Subordinated Notes or Notes with extremely long terms to maturity. The United States federal income tax consequences of owning Notes not described herein may be discussed in the applicable Final Terms. Persons considering the purchase, ownership or disposition of Notes should consult their own tax advisors concerning the United States federal income tax consequences in light of their particular situations as well as any consequences arising under the laws of any other taxing jurisdiction.

For the purposes of this summary, a “United States Holder” means a beneficial owner of Notes who or that is for United States federal income tax purposes (i) a citizen or individual resident of the United States; (ii) an entity treated as a corporation for United States federal income tax purposes created or organized in or under the laws of the United States or any State thereof (including the District of Columbia); (iii) an estate the income of which is subject to United States federal income taxation regardless of its source; or (iv) a trust if a court within the United States is able to exercise primary jurisdiction over administration of the trust and one or more United States persons (as defined in the Code) have authority to control all substantial decisions of the trust, or a trust that has made a valid election under Treasury regulations to be treated as a domestic trust.

If an entity or arrangement treated as a partnership for United States federal income tax purposes holds a Note, the United States federal income tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership.

Payments of Interest

Except as set forth below, with respect to original issue discount (“OID”) on Original Issue Discount Notes (as defined below), interest on a Note will generally be taxable to a United States Holder as ordinary income at the time it is received or accrued in accordance with the United States Holder’s regular method of accounting for United States federal tax purposes. Such interest generally will constitute income from sources outside the United States subject to the rules regarding the foreign tax credit allowable to a United States Holder. As discussed above, under Swedish domestic law, no Swedish withholding tax currently applies to interest payments to non-Swedish residents, provided they are not engaged in trade or business in Sweden through a permanent establishment. However, if any such taxes are subsequently imposed on interest payments on the Notes, a United States Holder may be eligible for a deduction with respect to such foreign taxes or alternatively, subject to a number of limitations, a foreign tax credit against such United States Holder’s United States federal income tax liability.

The amount of income recognized by a cash basis United States Holder with respect to a payment of stated interest (other than OID) on a Note denominated in a currency other than the United States Dollar (a “Foreign Currency Note”) will be the United States Dollar value of the stated interest payment, based on the “spot rate” in effect on the date of receipt, regardless of whether the payment is in fact converted into United States Dollars. Spot rate generally means a rate that reflects a fair market rate of exchange available to the public for a foreign currency under a “spot contract” in a free market and involving representative amounts.

The amount of stated interest recognized by an accrual basis United States Holder of a Foreign Currency Note will be determined for any accrual period in the relevant foreign currency and then translated into United States Dollars using the average exchange rate for the accrual period (or, with respect to an accrual period that spans two taxable years, using the average exchange rate for the partial period within each taxable year). The average exchange rate for an accrual period (or partial period) is the simple average of the spot rates for each business day of such period, or other average exchange rate for the period reasonably derived and consistently applied by the holder. Alternatively, an accrual basis United States Holder can elect to translate stated interest at the spot rate on the last day of the accrual period (and, in the case of a partial accrual period, the spot rate on the last day of the taxable year) or on the date interest payment is received if such date is within five business days of the end of the accrual period. A United States Holder that makes such an election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the United States Internal Revenue Service ("IRS").

Original Issue Discount

The following is a summary of the principal United States federal income tax consequences of the ownership of Original Issue Discount Notes by United States Holders.

A Note may be issued for an amount that is less than its stated redemption price at maturity (the sum of all payments to be made on the Note other than "qualified stated interest", as defined below). The difference between the stated redemption price at maturity of the Note and its "issue price", if such difference is at least 0.25 per cent of the stated redemption price at maturity multiplied by the number of complete years to maturity, will be OID. Notes issued with OID are referred to herein as "Original Issue Discount Notes". The "issue price" of each Note is generally the first price at which a substantial amount of Notes of that Series are sold (disregarding sales to bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents or wholesalers). "Qualified stated interest" is stated interest that is unconditionally payable in cash or in property (other than debt notes of the Issuer) at least annually at a single fixed, qualified floating or objective rate, throughout the entire term of a Note. Notes that may be redeemed prior to their stated maturity at the option of the Issuer shall be treated from the time of issuance as having a maturity date for United States federal income tax purposes on such redemption date if such redemption would result in a lower yield to maturity. Notice may be given in the applicable Final Terms if the Issuer determines that a particular Note will be deemed to have a maturity date for United States federal income tax purposes prior to its stated maturity.

In certain cases, Notes that bear interest and are issued at par may be deemed instead to bear OID for United States federal income purposes, with the result that the realisation of income for United States federal income tax purposes may vary from the actual payment or accrual of stated interest made on such Notes, generally accelerating income for taxpayers. Such a Note may be an Original Issue Discount Note where a floating rate Note provides for a maximum interest rate or a minimum interest rate that is very likely to cause the interest rate in one or more accrual periods, known as of the issue date to be significantly less, in the case of a maximum rate, or more, in the case of a minimum rate, than the overall expected return on the Note or, if there are restrictions or changes in rates, that cause the yield on a Note to be significantly more or less than the yield without such restrictions or changes. Notice will be given in the applicable Final Terms when the Issuer determines that a particular Note will be an Original Issue Discount Note. Unless the applicable Final Terms so indicate, floating rate Notes will not be Original Issue Discount Notes.

United States Holders of Original Issue Discount Notes with a maturity upon issuance of more than one year must, in general, include OID in income in advance of the receipt of some or all of the

related cash payments. The amount of OID to be included in income by the initial United States Holder of an Original Issue Discount Note is the sum of the “daily portions” of OID with respect to the Note for each day during the taxable year or portion of the taxable year in which such United States Holder held such Note (“accrued OID”). The daily portion is determined by allocating to each day in any “accrual period” a *pro rata* portion of the OID allocable to that accrual period. The “accrual period” for an Original Issue Discount Note may be of any length and may vary in length over the term of a Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs at the beginning or end of an accrual period. The amount of OID allocable to any accrual period is an amount equal to the excess, if any, of (a) the product of the Note’s adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the qualified stated interest, if any, allocable to the accrual period. The “adjusted issue price” of the Note at the start of any accrual period is equal to its issue price increased by the accrued OID for each prior accrual period and reduced by any prior payments with respect to such Note that were not qualified stated interest. Under these rules, a United States Holder will have to include in income increasingly great amounts of OID in successive accrual periods.

In the case of Original Issue Discount Notes having a term of one year or less (“Short-Term Original Issue Discount Notes”) all payments (including all stated interest) will be included in the stated redemption price at maturity and, thus, United States Holders will generally be taxable on the discount calculated pursuant to this method in lieu of stated interest. The discount generally will be equal to the excess of the stated redemption price at maturity over the issue price of a Short-Term Original Issue Discount Note. Individuals and certain other cash method United States Holders of Short-Term Original Issue Discount Notes are not required to include accrued discount in their income currently unless they elect to do so. United States Holders who report income for United States federal income tax purposes on the accrual method and certain other United States Holders are required to accrue discount on such Short-Term Original Issue Discount Notes (as ordinary income) on a straight-line basis, unless an election is made to accrue the discount according to a constant yield method based on daily compounding. United States Holders who are not required and do not elect to accrue OID on Short-Term Original Issue Discount Notes will be required to defer deductions for interest on borrowings allocable to such Notes in an amount not exceeding the deferred income until the deferred income is realised. In the case of a United States Holder who is not required, and does not elect, to include discount in income currently, any gain realised on the sale, exchange or retirement of the Short-Term Original Issue Discount Note will be ordinary income to the extent of the discount accrued through the date of sale, exchange or retirement. In addition, United States Holders that do not elect to currently include accrued discount in income may be required to defer deductions for a portion of the United States Holder’s interest expense with respect to any indebtedness incurred or continued to purchase or carry such Notes.

OID for any accrual period on an Original Issue Discount Note that is a Foreign Currency Note will be determined in the relevant foreign currency and then translated into United States Dollars in the same manner as stated interest accrued by an accrual basis United States Holder.

Amortisation of Premium

A Note may be considered to have been issued at a “premium” to the extent that the United States Holder’s tax basis in the Note exceeds the sum of all amounts payable on the Note after the purchase date other than payments of qualified stated interest. A United States Holder generally may elect to amortise the premium over the remaining term of the Note on a constant yield method. The amount amortised in any year will be treated as a reduction of the United States

Holder's interest income from the Note. Bond premium on a Note held by a United States Holder that does not make such an election will decrease the gain or increase the loss otherwise recognised on disposition of the Note. In the case of a Foreign Currency Note, bond premium will be computed in units of the relevant foreign currency, and amortized bond premium will reduce interest income in units on such foreign currency.

The election to amortise bond premium on a constant yield method once made applies to all debt obligations held or subsequently acquired by the electing holder on or after the first day of the first taxable year to which the election applies (other than debt obligations the interest on which is excludable from gross income for United States federal income tax purposes) and may not be revoked without the consent of the IRS.

Election to Treat All Interest as OID

An accrual basis United States Holder may elect to treat all interest on any Note as OID and calculate the amount includable in gross income under the constant yield method described above. If a United States Holder makes this election for a Note with any amortising bond premium, such election is treated as an election under the amortisation of bond premium provisions, described above, and the electing United States Holder will be required to amortise the bond premium for all of the holder's other debt obligations with an amortisable bond premium (other than debt obligations the interest on which is excludable from gross income for United States federal income tax purposes). The election is to be made for the taxable year in which the United States Holder acquired the Note, and may not be revoked without the consent of the IRS. United States Holders should consult their own tax advisers about this election.

Variable Interest Rate Notes

Generally, Notes bearing interest at a floating rate ("Variable Interest Rate Notes") are subject to special rules. A Variable Interest Rate Note will qualify as a "variable rate debt instrument" if (a) its issue price does not exceed the total noncontingent principal payments due under the Variable Interest Rate Notes by more than an amount equal to the lesser of (i) 0.015 multiplied by the product of the total noncontingent principal payments and the number of complete years to maturity from the issue date or (ii) 15 per cent of the total noncontingent principal payments, (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (c) a qualified floating rate or objective rate in effect at any time during the term of the Note is set at a current value of that rate (i.e., the value of the rate on any day that is no earlier than three months prior to the first rate day on which the value is in effect and no later than one year following that first day).

A "qualified floating rate" is any variable rate where variations in the value of such rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Notes is denominated. Although a multiple of a qualified floating rate will generally not itself constitute a qualified floating rate, a variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35 will constitute a qualified floating rate. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Notes together will constitute a single qualified floating rate. Two or more qualified floating rates will be conclusively presumed to meet the requirements of the previous sentence if the values of all rates on the issue date are within 25 basis points of each other. A variable rate is not a qualified floating rate if it is subject to certain

restrictions (including caps floors, governors, or other similar restrictions) unless such restrictions are fixed throughout the term of the Note or are not reasonably expected to significantly affect the yield on the Note.

An “objective rate” is a rate other than a qualified floating rate that is determined using a single fixed formula and which is based upon objective financial or economic information, other than information that is within the control of the issuer or a related party, or that is unique to the circumstances of the issuer or a related party such as dividends, profits or the value of such person’s stock (but not the issuer’s credit quality). Despite the foregoing, a variable rate of interest on Variable Interest Rate Notes will not constitute an objective rate if it is reasonably expected that the average value of such rate during the first half of the Variable Interest Rate Notes term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Notes’ term. A “qualified inverse floating rate” is any objective rate where such rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate.

Generally, if a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period, and the value of the variable rate on the Variable Interest Rate Notes’ issue date is intended to approximate the fixed rate, then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be. A fixed rate and a variable rate will be conclusively presumed to meet the previous requirements if the value of the variable rate on the issue date of the Variable Interest Rate Notes does not differ from the value of the fixed rate by more than 25 basis points.

If a Variable Interest Rate Note provides for stated interest at a single qualified floating rate or objective rate that is unconditionally payable in cash or in property (other than debt instruments of the issuer) at least annually, then (a) all stated interest with respect to the Note is qualified stated interest, (b) the amount of qualified stated interest and the amount of OID, if any, is determined by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Note, and (c) the qualified stated interest allocable to an accrual period is increased (or decreased) if the interest actually paid during an accrual period exceeds (or is less than) the interest assumed to be paid during the accrual period under the foregoing rules.

If a Variable Interest Rate Note that is a variable rate debt instrument does not provide for stated interest at a single qualified floating rate or objective rate, and at a single fixed rate (other than at a single fixed rate for an initial period), the amount of qualified stated interest and OID on the Note are generally determined by (i) determining a fixed rate substitute for each variable rate provided under the Variable Interest Rate Note (generally, the value of each variable rate as of the issue date or, in the case of an objective rate that is not a qualified inverse floating rate, a rate that reflects the yield that is reasonably expected for the Note), (ii) constructing the equivalent fixed rate debt instrument (using the fixed rate substitutes described above), (iii) determining the amount of qualified stated interest and OID with respect to the equivalent fixed rate debt instrument (by applying the general OID rules as described in “—Original Issue Discount”), and (iv) making the appropriate adjustments for actual variable rates during the applicable accrual period.

If a Variable Interest Rate Note provides for stated interest either at one or more qualified floating rates or at a qualified inverse floating rate and in addition provides for stated interest at a single fixed rate (other than a single fixed rate for an initial period), the amount of interest and OID are

determined as in the immediately preceding paragraph with the modification that the Variable Interest Rate Note is treated, for purposes of the first three steps of the determination, as if it provided for a qualified floating rate (or qualified inverse floating rate, if the Note provides for a qualified inverse floating rate) rather than the fixed rate. The qualified floating rate (or qualified inverse floating rate) replacing the fixed rate must be such that the fair market value of the Note as of the issue date would be approximately the same as the fair market value of an otherwise identical debt instrument that provides for a qualified floating rate (or qualified inverse floating rate) rather than a fixed rate.

If a Variable Interest Rate Note does not qualify as a “variable rate debt instrument”, then the Variable Interest Rate Note will be treated as a “contingent payment debt instrument”. The proper United States federal income tax treatment of Variable Interest Rate Notes that are treated as contingent payment debt may be more fully described in the applicable Final Terms.

Sale, Exchange and Retirement of Notes

Upon the sale, exchange or retirement of a Note, a United States Holder will recognise gain or loss equal to the difference between the United States Dollar value of the amount realised upon the sale, exchange or retirement (other than amounts attributable to accrued and unpaid interest, which will be taxable as such) and the adjusted tax basis of the Note. For this purpose, an amount received in foreign currency will generally be translated into United States Dollars at the spot rate in effect on the date of disposition of the Notes. If the Notes are traded on an established securities market, a cash basis United States Holder (and, if it elects, an accrual basis United States Holder) will determine the United States Dollar equivalent of the amount realized on the sale of a Note by translating that amount at the spot rate in effect on the settlement date. A United States Holder's tax basis in a Note will, in general, be the United States Holder's United States Dollar cost therefor, increased by OID previously included in income by the United States Holder and reduced by any amortised premium and any cash payments on the Note other than qualified stated interest. A United States Holder will determine the United States Dollar equivalent of its tax basis by translating its cost for the Notes at the spot rate in effect on the date of the United States Holder's purchase of the Notes or the settlement date, if the Notes are traded on an established securities market as discussed above. Except with respect to foreign currency gain or loss as described below with respect to certain Foreign Currency Notes and with respect to gain attributable to accrued discount on Short-Term Original Issue Discount Notes, such gain or loss will be capital gain or loss. In the case of a United States Holder that is an individual, estate or trust, the current maximum marginal United States federal income tax rate applicable to such gain is lower than the maximum marginal United States federal income tax rate applicable to ordinary income if such United States Holder's holding period in the Note exceeds one year. The deductibility of capital losses by United States Holders is subject to significant limitations. Any gain or loss realised by a United States Holder will generally be treated as United States source gain or loss for United States federal income tax purposes.

Foreign Currency Gain or Loss

United States Holders of Foreign Currency Notes may realize foreign currency gain or loss, which generally will be treated as ordinary income or loss, as the case may be, upon the sale, exchange, retirement or of other disposition of such Notes. A United States Holder generally will realise foreign currency gain or loss upon the receipt of payments of principal equal to the difference between (x) the foreign currency amount of principal of the Note, translated into United States Dollars using the spot rate on the date of receipt of the proceeds of the disposition of the Note and (y) the foreign currency amount of principal, translated into United States Dollars using the spot rate on the date the Note was acquired by the United States Holder. However, the amount of foreign currency gain or loss realized upon a sale, exchange, retirement or disposition of a Note

will be limited to the total amount of gain or loss as the case may be, realized on the transaction. A United States Holder may also realize foreign currency gain or loss upon the actual disposition of any foreign currency.

Tax Return Disclosure and Investor List Requirements

Treasury regulations (the “Tax Shelter Regulations”) intended to address so-called tax shelters and other potentially tax-motivated transactions require participants in a “reportable transaction” to disclose certain information about the transaction on IRS Form 8886 and retain information relating to the transaction. Organizers and sellers of reportable transactions are required to maintain lists identifying the transaction investors and furnish to the IRS upon demand such investor information as well as detailed information regarding the transactions. A transaction may be a “reportable transaction” based upon any of several indicia, including the existence of confidentiality agreements, certain indemnity arrangements, potential for recognizing investment or other losses, significant book-tax differences, a brief asset holding period, and whether the transaction is a listed transaction, one or more of which may be present with respect to or in connection with an investment in the Notes. In addition, the Tax Shelter Regulations could be interpreted to cover and require reporting of transactions that are generally not considered tax shelters, including certain foreign currency transactions. Investors should consult their own tax advisers concerning any possible disclosure obligation with respect to their investment and should be aware that the Issuer and other participants in the transaction intend to comply with the disclosure and list maintenance requirements under the Tax Shelter Regulations as they determine apply to them with respect to this transaction.

Backup Withholding and Information Reporting

In general, information reporting requirements will apply to (i) certain payments within the United States of interest and discount on Notes, including payments made by the United States office of a paying agent, broker or other intermediary, and (ii) the proceeds of a sale, redemption or other disposition of Notes effected at a United States office of a United States or foreign broker. A “backup withholding” tax may apply to such payments or proceeds unless the beneficial owner (i) provides a correct taxpayer identification number and, in the case of payments of interest and discount, certifies that he is not subject to such withholding and reports interest and dividend income in full, (ii) certifies such owner’s non-U.S. status under penalties of perjury or (iii) otherwise establishes an exemption. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner will be allowed as a refund or a credit against such beneficial owner’s United States federal income tax liability provided the required information is duly furnished to the IRS in a timely manner.

European Union Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

SUBSCRIPTION AND SALE

The following is subject to change in the applicable Final Terms. Further, the Dealers who have agreed to purchase Notes of a Series from the Issuer will be specified in the applicable Final Terms.

Notes may be sold from time to time by the Issuer to any one or more of Barclays Issuer PLC, Citigroup Global Markets Limited, Goldman Sachs International, J.P. Morgan Securities Ltd., Merrill Lynch International, Morgan Stanley & Co. International plc, Swedbank AB (publ), 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 19 May 2011 (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.

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, 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 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 Prospectus or any Final Terms 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 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. Any such supplement or modification will be set out in the applicable Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or (in any other case) in a supplementary prospectus and to the Dealer Agreement.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (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 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) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “Non-exempt Offer”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 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
- (d) 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 (b) to (d) 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 (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

United States of America

Regulation S Category 2 TEFRA D, unless otherwise specified in the applicable Final Terms; Rule 144A Eligible if so specified in the applicable Final Terms

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 Code 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).

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 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 does not 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.

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 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.

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. Neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.
3. There has been no significant change in the financial or trading position of the Issuer or the Group since 31 March 2011. There has been no material adverse change in the financial position or prospects of the Issuer or the Group since 31 December 2010.
4. 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 2010 and 31 December 2009. The auditors have no material interest in the Issuer.
5. 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 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. The address of Euroclear is Euroclear Bank SA/NV, Boulevard du Roi Albert II, B.1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue J.F.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 relating thereto. Application will also be made to have the Restricted Notes of any Series designated for trading in the PORTAL Market of the Nasdaq Stock Market, Inc. The address of DTC is 55 Water Street, New York, NY 10041-0099, USA.
6. For the period of 12 months from the date of this Prospectus, copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the registered office of the Issuer 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 Dealer Agreement;
- (e) the Issuer-ICSDs Agreement;
- (f) the audited consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2010 and 2009 in each case together with the audit reports prepared in connection therewith;
- (g) the unaudited financial information in the published unaudited interim report of the Issuer as at 31 March 2011;
- (h) 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
- (i) this Prospectus, any supplementary prospectus, any documents incorporated by reference and, save as provided below, any Final Terms issued pursuant to the Programme.

In addition, copies of this Prospectus, any supplementary prospectus, any documents incorporated by reference and Final Terms relating to Notes which are either admitted to trading on the London Stock Exchange's EEA Regulated Market or offered in any Member State of the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will also be available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> or otherwise published in accordance with Article 14 of the Prospectus Directive.

Copies of Final Terms relating to Notes which are neither admitted to trading on any regulated market within the European Economic Area nor offered in any Member State of the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive 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 the identity of such Holder.

7. Any Series of Notes intended to be admitted to the Official List and admitted to trading on the London Stock Exchange's EEA Regulated Market will be so admitted upon submission to the UK Listing Authority and the London Stock Exchange of the applicable Final Terms and any other information required by the UK Listing Authority and the London Stock Exchange, subject in each case to the issue of the relevant Notes. Prior to official listing, dealings will be permitted by the London Stock Exchange in accordance with its rules.

However, Notes may be issued pursuant to the Programme which will not be listed, admitted to trading or quotation by the UK Listing Authority or the regulated market of the London Stock Exchange or any other listing authority, stock exchange, regulated market and/or quotation system as the Issuer and the relevant Dealer(s) may agree.

8. 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.
9. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

10. 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.
11. 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.

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