

BASE PROSPECTUS



Swedbank AB (publ)

(Incorporated with limited liability in the Kingdom of Sweden)

U.S.\$15,000,000,000 Medium Term Note Programme

Under the U.S.\$15,000,000,000 Medium Term Note Programme (the "Programme") described in this base prospectus (the "Base Prospectus"), Swedbank AB (publ) ("Swedbank" or the "Issuer"), subject to all applicable legal and regulatory requirements, may from time to time issue notes ("Notes") in registered or bearer form (respectively, "Registered Notes" and "Bearer Notes"). The aggregate principal amount of Notes outstanding at any one time will not exceed U.S.\$15,000,000,000 or the equivalent in other currencies.

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

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

Such approval relates only to the Notes which are to be admitted to trading on the regulated market (the "Regulated Market of Euronext Dublin") of the Irish Stock Exchange plc trading as Euronext Dublin ("Euronext Dublin") or on another regulated market in the European Economic Area (the "EEA") for the purposes of Directive 2014/65/EU (as amended) ("MiFID II") and/or which are to be offered to the public in any Member State of the EEA in circumstances that require the publication of a prospectus.

Application has been made to Euronext Dublin for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to its official list (the "Official List") and to trading on the Regulated Market of Euronext Dublin. The Regulated Market of Euronext Dublin is a regulated market for the purposes of MiFID II. References in this Base Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to the Official List and to trading on the Regulated Market of Euronext Dublin.

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

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "Securities Act") or any applicable U.S. state securities laws, and are being offered and sold outside of the United States to persons other than U.S. persons in reliance on Regulation S under the Securities Act ("Regulation S") and in the United States only to Qualified Institutional Buyers or "QIBs" (in reliance on, and as defined by, Rule 144A under the Securities Act ("Rule 144A")) and, in each case, in compliance with applicable securities laws. 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.

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

Each purchaser of a Note will be deemed, by its acceptance or purchase thereof, to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer of such Note, as described in this Base Prospectus, and, in connection therewith, may be required to provide confirmation of its compliance with such resale or other transfer restrictions in certain cases (see "Subscription and Sale and Transfer and Selling Restrictions").

THERE ARE CERTAIN RISKS RELATED TO ANY ISSUE OF NOTES UNDER THE PROGRAMME, WHICH INVESTORS SHOULD ENSURE THEY FULLY UNDERSTAND (SEE "RISK FACTORS" ON PAGES 10 – 50 OF THIS BASE PROSPECTUS).

The Issuer has been assigned ratings of A-1 (short term) and A+ (long term) from S&P Global Ratings Europe Limited ("Standard & Poor's"); P-1 (short term) and Aa3 (long term) from Moody's Investors Service (Nordics) AB ("Moody's"); and F1+ (short term) and AA- (long term) from Fitch Ratings Ireland Limited ("Fitch"). Senior Preferred Notes to be issued under the Programme are expected to be rated A+ (Senior Preferred Notes with a maturity of more than one year) and A-1 (Senior Preferred Notes with a maturity of less than one year) by Standard & Poor's; Aa3 (Senior Preferred Notes with a maturity of more than one year) and P-1 (Senior Preferred Notes with a maturity of less than one year) by Moody's; and AA (Senior Preferred Notes with a maturity of more than one year) and F1+ (Senior Preferred Notes with a maturity of less than one year) by Fitch. Senior Non-Preferred Notes to be issued under the Programme are expected to be rated A- by Standard & Poor's; Baa1 by Moody's; and AA- by Fitch. Each of Standard & Poor's, Moody's and Fitch is established in the European Union ("EU") and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation"). Notes issued under the Programme may be rated or unrated. Where a Tranche (as defined below) of Notes is rated, such rating will be specified in the applicable Final Terms (as defined below) and will not necessarily be the same as the ratings assigned to the Programme. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Arranger
Citigroup
Dealers**

**Barclays
BofA Securities
Credit Suisse
Goldman Sachs Bank Europe SE
J.P. Morgan
RBC Capital Markets
Wells Fargo Securities**

**BNP PARIBAS
Citigroup
Deutsche Bank Securities
HSBC
Morgan Stanley
UBS Investment Bank**

March 22, 2023

IMPORTANT NOTICE

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

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer the information contained in this Base Prospectus is in accordance with the facts and this Base Prospectus does not omit anything likely to affect the import of such information.

The Issuer has confirmed to the Dealers that this Base Prospectus is true and accurate in all material respects and not misleading; that there are no other facts in relation to the information contained or incorporated by reference herein the omission of which would, in the context of the Programme and the issue of the Notes, make any statement herein misleading in any material respect; and that all reasonable enquiries have been made to verify the foregoing. The Issuer has further confirmed to the Dealers that this Base Prospectus (together with, in relation to any Tranche, the applicable Final Terms) contains the necessary information which is material to an investor for making an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer, of the rights attaching to the relevant Notes and the reasons for any issuance and its impact on the Issuer.

In relation to any Tranche, the aggregate nominal amount of the Notes of such Tranche, the interest (if any) payable in respect of the Notes of such Tranche, the issue price and certain other information which is relevant to such Tranche will be set out in a final terms document ("Final Terms").

The Final Terms in respect of Notes to be listed on the Official List and admitted to trading on the Regulated Market of Euronext Dublin will be filed with the Central Bank on or before the date of issue of the Notes of such Tranche. Copies of the Final Terms in respect of Notes to be listed on the Official List and admitted to trading on the Regulated Market of Euronext Dublin will be published on the website of Euronext Dublin at <https://live.euronext.com>.

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

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

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained or incorporated by reference in this Base Prospectus, in the Dealer Agreement (as defined under "Subscription and Sale and Transfer and Selling Restrictions"), 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 (as defined under "Terms and Conditions of the Notes").

None of this Base Prospectus, any financial statements and any other information supplied in connection with the Programme and any Notes (i) is intended to provide the sole basis of any credit or other evaluation of the Issuer, (ii) constitutes an offer or an invitation to subscribe for or purchase any Notes or (iii) should be considered as a recommendation by the Issuer, the Dealers, the Trustee or any of them that any recipient of this Base Prospectus, any financial statements or any other information supplied in connection with the Programme or any Notes should subscribe for or purchase any Notes. Each recipient of this Base Prospectus, any financial statements or any other information supplied in connection with the Programme or any Notes

shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

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 make any representation or warranty or accept any responsibility as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. Neither the delivery of this Base Prospectus or any part hereof or any Final Terms nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change in the financial situation of the Issuer since the date of this Base Prospectus or, as the case may be, the date upon which this Base Prospectus has been most recently amended or supplemented.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms 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 distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "Subscription and Sale and Transfer and Selling Restrictions". Neither this Base Prospectus nor any Final Terms may be used by anyone in any jurisdiction in which such use is not authorised.

The Notes have not been, and will not be, registered under the Securities Act, and may be offered and sold outside of the United States to persons other than U.S. persons in reliance on Regulation S and in the United States only to QIBs. Prospective purchasers are hereby notified that the sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

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

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

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions

apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Further, prospective investors should ensure that they have sufficient knowledge and awareness of the economic situation and outlook, including in the Eurozone and globally, as they consider necessary to enable them to make their own evaluation of the risks and merits of an investment in the Notes. In particular, prospective investors should take into account the considerable uncertainty as to how the Eurozone and the wider economic situation will develop over time.

Each Tranche of Registered Notes sold to persons other than U.S. persons in reliance on Regulation S under the Securities Act will be represented by beneficial interests in an unrestricted global Note in registered form, without interest coupons (an "Unrestricted Registered Global Note"), which will be deposited either (i) with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("DTC") for the accounts of Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg") for the accounts of their respective participants or (ii) with a common depository or common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of a common depository for Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms. Prior to expiry of the period that ends 40 days after the later of the date of issue of a Tranche and the completion of the distribution of a Tranche of Notes, as certified by the relevant Dealer, in the case of a non-syndicated issue, or the lead manager, in the case of a syndicated issue (the "Distribution Compliance Period"), beneficial interests in the Unrestricted Registered Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person except in accordance with Rule 144A, Rule 903 or 904 of Regulation S or pursuant to another applicable exemption from the registration requirements of the Securities Act. Each Tranche of Registered Notes sold within the United States or to, or for the account or benefit of, U.S. persons in reliance on Rule 144A under the Securities Act will be represented by beneficial interests in a restricted global Note in registered form, without interest coupons (a "Restricted Registered Global Note" and, together with an Unrestricted Registered Global Note, the "Registered Global Notes"), which will be deposited either (i) with a custodian for, and registered in the name of a nominee of, DTC or (ii) with a common depository or common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of a common depository for Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms. Registered Notes in definitive form ("Definitive Registered Notes") will, at the request of the Holder (as defined under "Overview of the Programme") (save to the extent otherwise indicated in the applicable Final Terms), be issued in exchange for interests in the Registered Global Notes upon the terms set out in the relevant Registered Global Note.

Each Tranche of Bearer Notes will initially be represented by a temporary global Note in bearer form (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 for Euroclear and Clearstream, Luxembourg and (ii) if the Temporary Global Note is not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depository for Euroclear and Clearstream, Luxembourg. On or after the date which is 40 days after the later of the date of issue of a Tranche and the completion of the distribution of the Notes of the relevant Tranche and provided certification as to beneficial ownership thereof as required by United States Treasury Regulations Section 1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for the purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended) has been received, interests in the Temporary Global Note will be exchangeable for either interests in a permanent global Note in bearer form (a "Permanent Global Note") or, if so specified in the applicable Final Terms, Bearer Notes in definitive form ("Definitive Bearer Notes"). Interests in the Permanent Global Note will be exchangeable for Definitive Bearer Notes in whole, but not in part, in the circumstances set out in the relevant Permanent Global Note. Bearer Notes are subject to U.S. tax law requirements and,

subject to certain exceptions, may not be offered, resold or delivered within the United States to, or for the account or benefit of, U.S. persons. See "Subscription and Sale and Transfer and Selling Restrictions" below.

The Notes have not been recommended by, or approved or disapproved by, the United States Securities and Exchange Commission (the "SEC") or any other federal or state securities commission in the United States nor has the SEC or any other federal or state securities commission confirmed the accuracy or determined the adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence in the United States. The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable United States federal or state securities laws pursuant to a registration statement or an exemption from registration. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

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

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Notes will include a legend titled "MiFID II Product Governance" which will outline the target market assessment in respect of the relevant Notes and which channels for distribution of the relevant Notes are appropriate. Any person subsequently offering, selling or recommending such Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of such Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue of Notes about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither Citigroup Global Markets Inc. (the "Arranger") nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Notes may include a legend titled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the relevant Notes and which channels for distribution of the relevant Notes are appropriate. Any distributor (as defined above) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of such Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue of Notes about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes,

but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended) (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UNITED KINGDOM RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point 8 of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

NOTICE TO CANADIAN INVESTORS

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Base Prospectus (including any amendment or supplement thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* ("NI 33-105"), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with any offering of the Notes.

FORWARD-LOOKING STATEMENTS

This Base Prospectus may include forward-looking statements. Examples of such forward-looking statements include, but are not limited to: (i) projections or expectations of net interest income, total income, profit, earnings per share, capital expenditure, dividends, capital structure or other financial items or ratios; (ii) statements of any plans, objectives or goals or those of management for future operations, including those related to products or services; (iii) statements of future economic performance, including, in particular, any such statements included under the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations"; and (iv) statements of assumptions underlying such statements, including assumptions relating to general economic conditions in Sweden, Europe and worldwide. Words such as "believes", "anticipates", "expects", "intends", "aims" and "plans" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

Any forward-looking statements herein have been based on current expectations and projections about uncertain future events. Forward-looking statements are subject to risks, uncertainties and assumptions about the Group and the Issuer. Although it is believed that the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements are reasonable, investors should bear in mind that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements, including assumptions relating to general economic conditions in Sweden, Europe and worldwide. These factors include those set out in the section of this Base Prospectus entitled "Risk Factors" and risks which the Issuer currently is not aware of, as well as more generally (without limitation):

- changes in global economic and market conditions causing substantial credit impairments;
- liquidity risks and access to capital markets;
- the Group's ability to recover value of collateral;
- changes to or fluctuations in the value of foreign currencies;
- the Group's ability to maintain targeted capital ratios;
- IT disruptions or cybersecurity attacks;
- economic volatility in the Baltic countries;
- the effects of changes in taxation or accounting standards or practices;
- concentration risk related to the Group's retail mortgage portfolio which comprises the cover pool for the covered bonds issued by Swedbank Mortgage;
- risks relating to litigation arising from the Group's business conduct;
- the Group's ability to recruit and retain highly skilled individuals;
- risks relating to high levels of Swedish household debt and a potential decrease in housing prices;
- changes in interest rates or changes in the competitive environment affecting spreads on the Group's lending and deposits;
- systemic risk and the risk of defaults by entities who owe the Group money;
- market fluctuations and volatility;

- increased competition;
- risks related to climate change;
- money laundering, terrorist financing and financial sanctions risks;
- uncertainties about the strength of the Eurozone and other geopolitical risks;
- volatility in financial, commodities and other markets as a result of the global coronavirus pandemic and the Russian invasion of Ukraine;
- worsening economic conditions in the Group's home markets;
- fluctuations in the global financial markets;
- adverse regulatory, taxation and governmental developments; and

the success at managing the risks of the foregoing.

It should be noted that the foregoing list of important factors is not exhaustive. The foregoing factors and other uncertainties and events should also be considered when making an investment decision based on any forward-looking statement. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Base Prospectus may not occur.

AVAILABLE INFORMATION

The Issuer has agreed that, for so long as any Registered Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, it will, during any period in which it is not subject to Section 13 or 15(d) under the United States Securities Exchange Act of 1934, as amended (the "Exchange Act") nor exempt from reporting pursuant to Rule 12g3-2(b) under such Act, make available to any Holder of such Registered Notes in connection with any resale thereof and any prospective purchaser of such Registered Notes from such Holder, in each case upon request, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

ENFORCEABILITY OF JUDGMENTS

The Issuer is a limited liability company incorporated under the laws of Sweden. Substantially all of the Issuer's directors and executive officers and the experts named herein are residents of Sweden. All, or a substantial portion of, the assets of the Issuer and of such individuals are located outside the United States. It may not be possible for investors to effect service of process within the United States upon the Issuer or such persons with respect to matters arising under the U.S. securities laws or to enforce against them judgments obtained in U.S. courts predicated upon the civil liability provisions of such laws. The United States and Sweden do not have a treaty providing for reciprocal recognition and enforcement of judgments rendered in connection with civil and commercial disputes. Furthermore, (i) there is doubt whether an original action could be brought in Sweden against the Issuer predicated solely upon the provisions of the U.S. securities laws and (ii) actions for enforcement of judgments of U.S. courts against the Issuer are not enforceable in Sweden, either by treaty or in practice, but are accepted on an evidential basis in a Swedish legal action.

Furthermore, following the end of the transition period for the withdrawal of the UK from the EU on December 31, 2020, a judgment rendered against the Issuer in the courts of England would not be directly enforceable in Sweden. Instead, proceedings *ab initio* may have to be commenced against the Issuer in Swedish courts. As a result, there is currently lack of clarity on enforcement of English law judgments against the Issuer in Sweden.

SECOND PARTY OPINION

In connection with the issue of any Green Bonds, Social Bonds and/or Sustainability Bonds, the Issuer has obtained a Second-Party Opinion on the Swedbank Sustainable Funding Framework (each as defined in "Use and Estimated Net Amounts of Proceeds"). The Swedbank Sustainable Funding Framework and the Second-Party Opinion are accessible through the Issuer's website at <https://www.swedbank.com/investor-relations/debt-investors/sustainable-bonds.html>. However, any information on, or accessible through, the Issuer's website and the information in the Swedbank Sustainable Funding Framework or the Second-Party Opinion is not incorporated by reference, and does not constitute part of, this Base Prospectus and should not be relied upon in connection with making any investment decision with respect to any Green Bonds, Social Bonds and/or Sustainability Bonds. In addition, no assurance or representation is given by the Issuer, the Dealers, ISS ESG or any other person as to the suitability or reliability for any purpose whatsoever of any opinion, report or certification of any third party in connection with the offering of any Green Bonds, Social Bonds and/or Sustainability Bonds. Any such opinion, report or certification and any other document related thereto is not, nor shall it be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion and/or the information contained therein and/or the provider of such opinion for the purpose of any investment in any Green Bonds, Social Bonds and/or Sustainability Bonds.

STABILISATION

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

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1. Overview of the Programme

This overview should be understood as an introduction to this Base Prospectus, and highlights information presented in greater detail elsewhere in this Base Prospectus. This overview is not complete and does not contain all the information an investor should consider before investing in the Notes. Any investor should carefully read the entire Base Prospectus before investing, including "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations", the audited consolidated financial statements of Swedbank incorporated by reference in this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Each decision to invest in the Notes should be based on an assessment of the entire Base Prospectus.

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

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

1.1 Overview of the Key Features of the Programme

Issuer:	Swedbank AB (publ)
Issuer Legal Entity Identifier (LEI):	M312WZV08Y7LYUC71685
Website of the Issuer:	www.swedbank.com
Arranger:	Citigroup Global Markets Inc.
Dealers:	Barclays Capital Inc. BNP Paribas Securities Corp. BofA Securities, Inc. Citigroup Global Markets Inc. Credit Suisse Securities (USA) LLC Deutsche Bank Securities Inc. Goldman Sachs Bank Europe SE HSBC Securities (USA) Inc. J.P. Morgan Securities LLC Morgan Stanley & Co. LLC RBC Capital Markets, LLC UBS Securities LLC

Wells Fargo Securities, LLC

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.

Trustee: BNY Mellon Corporate Trustee Services Limited

Principal Paying Agent: Citibank, N.A., London Branch

Registrar: Citigroup Global Markets Europe AG

Paying Agent: The Bank of New York Mellon SA/NV, Luxembourg Branch

Transfer Agents: Citibank, N.A., London Branch

The Bank of New York Mellon SA/NV, Luxembourg Branch

Exchange Agent: Citibank, N.A., London Branch

Programme Amount: U.S.\$15,000,000,000 (or its approximate equivalent in other currencies), subject to any duly authorised increase.

Form of Notes: Notes may be issued in registered form or in bearer form.

Each Tranche of Registered Notes offered and sold within the United States or to U.S. persons in reliance on Rule 144A under the Securities Act will be represented by beneficial interests in a Restricted Registered Global Note, which will be deposited either (i) with a custodian for, and registered in the name of a nominee of, DTC or (ii) with a common depositary or common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of a common depositary for Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms. Each Tranche of Registered Notes sold outside the United States to persons other than U.S. persons in reliance on Regulation S under the Securities Act will be represented by beneficial interests in an Unrestricted Registered Global Note, without interest coupons, which will be deposited either (i) with a custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream, Luxembourg for the accounts of their respective participants or (ii) with a common depositary or common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of a common depositary for Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms.

In respect of each Tranche of Bearer Notes, the Issuer will deliver a Temporary Global Note, which will (i) if the Temporary Global Note is intended to be issued in 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 for Euroclear and Clearstream,

Luxembourg; or (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 for Euroclear and Clearstream, Luxembourg. The Temporary Global Note will be exchangeable, as specified in the applicable Final Terms, either for interests in a Permanent Global Note or Definitive Bearer Notes, in each case upon certification as to non-U.S. beneficial ownership.

Status of the Notes: The Notes may be issued on a senior preferred basis ("Senior Preferred Notes") or on a senior non-preferred basis ("Senior Non-Preferred Notes"), as specified in the applicable Final Terms.

Senior Preferred Notes

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

Senior Non-Preferred Notes

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

Offering and Sale: Subject to compliance with all applicable legal and regulatory requirements, the Notes may be distributed on a syndicated or non-syndicated basis.

Currencies: Notes may be denominated in any currency or combination of currencies (including, without limitation, United States dollars, Euro, Japanese Yen and Pounds Sterling) subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Issuance in Series: Notes will be issued in series (each a "Series"). Each Series may comprise one or more Tranches. The Notes of each Series will all be subject to identical terms, whether as to currency, interest or maturity or otherwise, save that Issue Dates, Interest Commencement Dates and Issue Prices may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects (save that a Tranche may comprise Notes in more than one denomination). Further Tranches of Notes may be issued as part of an existing Series.

Issue Price: The Notes will be issued on a fully-paid basis and may be issued at any price, as specified in the applicable Final Terms.

Maturities: Notes may have any maturity of not less than one month, subject, in relation to specific currencies, to compliance with all applicable legal

and/or regulatory and/or central bank requirements. No provision is made for the issue of perpetual Notes.

Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the UK or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the UK, such Notes must: (i) have a minimum denomination of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of Section 19 of the FSMA by the Issuer.

Redemption: The Notes will be redeemable at par.

Early Redemption: Early redemption will be permitted:

- (i) upon the occurrence of a Withholding Tax Event and, where "Tax Event Call" is specified as applicable in the applicable Final Terms, upon the occurrence of a Tax Event as described in Condition 5(b);
- (ii) where "Redemption upon occurrence of a MREL Disqualification Event and amounts payable on redemption thereof" is specified to be applicable in the applicable Final Terms, upon the occurrence of a MREL Disqualification Event as described in Condition 5(h);
- (iii) where "Clean-Up Call Option" is specified to be applicable in the applicable Final Terms, if the Clean-Up Call Minimum Percentage (or more) of the principal amount outstanding of a Series of Notes has been redeemed or purchased and subsequently cancelled as described in Condition 5(k),

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.

Any such early redemption will be subject to obtaining the prior consent of the Relevant Regulator (if such consent is required). See Condition 5(i).

Substitution or Variation: Where the applicable Final Terms specify that Condition 5(j) applies, if at any time (i) a MREL Disqualification Event occurs and is continuing; (ii) a Withholding Tax Event occurs and is continuing; (iii) where "Tax Event Call" is specified as applicable in the applicable Final Terms, a Tax Event occurs and is continuing; or (iv) in order to ensure the effectiveness and enforceability of Condition 18(f), the Issuer may, subject to Condition 5(i), substitute the Notes for, or vary their terms so that they remain or, as appropriate, become, in the case

of Senior Preferred Notes, Senior Preferred Qualifying Securities or in the case of Senior Non-Preferred Notes, Senior Non-Preferred Qualifying Securities, as the case may be, as further provided in Condition 5(j).

Taxation: All amounts payable in respect of the 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 therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will (subject to the exceptions set out in "Terms and Conditions of the Notes—Taxation") pay in respect of payments of interest only such additional amounts as will result in the holders of Notes or Coupons ("Holders") receiving such amounts as they would have received in respect of such Notes or Coupons had no such withholding or deduction been required.

Negative Pledge: None

Cross-Default: None

Interest: Notes may be interest-bearing or non-interest bearing (as specified in the applicable Final Terms).

Benchmark Discontinuation: If "Benchmark Discontinuation – Independent Adviser" is specified to be applicable in the applicable Final Terms in relation to a Floating Rate Note or a Reset Note, in the event that the Issuer determines that a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, if any, and any Benchmark Amendments as described in Condition 4(e).

See Condition 4(e) for further details.

If (i) the Specified Currency is U.S. Dollars and the Reference Rate is specified as SOFR Index in the applicable Final Terms and (ii) "Benchmark Discontinuation – ARRC SOFR" is also specified to be applicable in the applicable Final Terms for a Floating Rate Note, and the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Issuer will determine a Benchmark Replacement in accordance with the benchmark transition provisions described in Condition 4(f).

See Condition 4(f) for further details.

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, provided however, that (i) the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than Euro, the equivalent amount in such currency as at the date of issue of the relevant Notes) and (ii) Notes sold in reliance on Rule 144A under the Securities Act shall be issued in minimum denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.
Terms and Conditions:	<p>The Terms and Conditions applicable to each Tranche of Notes will be as agreed between the Issuer and the relevant Dealer at, or prior to the time of issuance of such Tranche, and will be specified in the applicable Final Terms.</p> <p>Final Terms will be prepared in respect of each Tranche of Notes, a copy of which, in the case of Notes intended to be admitted to the Official List and to trading on the Regulated Market of Euronext Dublin, will be delivered to the Central Bank and Euronext Dublin on or before the date of issue.</p>
Governing Law:	The Notes, the Trust Deed, the Agency Agreement (as defined under "Terms and Conditions of the Notes"), all matters arising from or connected with them and any non-contractual obligations arising out of or in connection therewith are governed by, and shall be construed in accordance with, English law, except that the provisions in the Notes under Condition 3 and Clause 3 of the Trust Deed are governed by, and shall be construed in accordance with, Swedish law.
Swedish Statutory Loss Absorption Powers:	The Notes will be subject to Swedish Statutory Loss Absorption Powers, as described in "Terms and Conditions of the Notes—Governing Law, Jurisdiction and Swedish Statutory Loss Absorption Powers".
Listing and Admission to Trading:	<p>Application has been made to Euronext Dublin for Notes issued under the Programme to be admitted to the Official List and to trading on the Regulated Market of Euronext Dublin.</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.</p> <p>Notes which are neither listed nor admitted to trading on any market may also be issued.</p>
Clearing Systems:	DTC, Euroclear, Clearstream, Luxembourg and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the applicable Final Terms.

Selling Restrictions:

The Notes have not been and will not be registered under the Securities Act or any applicable U.S. state securities laws, and are being offered and sold in the United States only to QIBs and outside of the United States to persons other than U.S. persons in reliance on Regulation S and, in each case, in compliance with applicable securities laws. 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.

Bearer Notes will be issued in compliance with United States Treasury Regulations Section 1.163-5(c)(2)(i)(D) (or any successor rules substantially in the same form that are applicable for the purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended) ("TEFRA D"), unless the Bearer Notes are issued in circumstances in which the Bearer Notes will not constitute "registration required obligations" for U.S. federal income tax purposes, which circumstances will be referred to in the applicable Final Terms as a transaction to which the United States Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA") is not applicable.

There are selling restrictions relating to the offer, sale and transfer of the Notes in the United States, to retail investors in the EEA (as defined in "Subscription and Sale and Transfer and Selling Restrictions" below), in the United Kingdom, in Italy, in Hong Kong and in Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "Subscription and Sale and Transfer and Selling Restrictions" below.

The ability of the Dealers and the Arranger to make a market in the Notes may be impacted by changes in any regulatory requirements (including as a result of regulatory developments such as the SEC's interpretation of Rule 15c2-11 of the Securities Exchange Act of 1934 and its application to debt securities) applicable to the marketing, holding and trading of, and issuing quotations with respect to, the Notes.

Risk Factors:

There are various factors which may affect the ability of the Issuer to fulfil its obligations under Notes issued under the Programme, principally the risks relating to the banking industry in the Group's primary markets of Sweden, Estonia, Latvia and Lithuania. The Group's business may be affected by such factors as credit risk, market risk, operational risk and liquidity risk as well as the economic conditions, globally or for certain geographies or sectors, particularly relating to the above-mentioned primary markets for the Group as well as to the banking industry in Europe. 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 risks related to the structure of a particular issue of Notes, risks inherent in Notes and certain other factors. For a further discussion of risk factors, see "Risk Factors".

1.2 Overview of the Issuer

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

As of December 31, 2022, the Group served a total of over seven million private customers and 550,000 corporate customers and organisations through approximately 400 branches (compared to 423 in 2021), primarily in its four home markets of Sweden, Estonia, Latvia and Lithuania. This includes customers reached through 58 associated independent savings banks that collaborate with Swedbank. The terms of such collaboration are governed by a common framework agreement which is agreed with the national association of savings banks, Sparbankernas Riksförbund, with each savings bank signing up to this agreement individually. During 2022, eight branches were closed in Sweden, mainly due to changing customer behaviour where customers chose to interact with the Group digitally instead of visiting branch offices.

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 2022 derived from its Swedish banking services. As of December 31, 2022, the Group's loans to the public, excluding the Swedish National Debt Office ("SNDO") and repurchase agreements, amounted to SEK 1,799 billion. The Group recorded SEK 31,806 million in profit before impairments, Swedish bank tax and resolution fees for the year ended December 31, 2022 and SEK 26,834 million in profit before impairments, the Swedish bank tax and resolution fees for the year ended December 31, 2021. Credit impairments for the year ended December 31, 2022 amounted to SEK 1,479 million. Net profit attributable to the shareholders of Swedbank for the year ended December 31, 2022 amounted to SEK 21,877 million and SEK 20,871 million for the year ended December 31, 2021. As of December 31, 2022, the Group had 16,803 full-time employees. As of December 31, 2022, the Group had a return on equity ("ROE") of 13.3 per cent, a cost/income ratio of 0.4 and a liquidity coverage ratio ("LCR") of 160 per cent.

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

- **Swedish Banking:** Swedish Banking offers a broad range of financial products and services to private customers, as well as small and medium-sized corporates, through 145 branches as of December 31, 2022, as well as through digital channels and customer centres. Through co-operation with local associated independent savings banks and partly owned banks, the Group also offers its retail products through 184 other branches as of December 31, 2022;
- **Baltic Banking:** Baltic Banking offers a complete range of financial products and services to private and corporate customers in Estonia, Latvia and Lithuania through 71 branches as of December 31, 2022, as well as through digital channels and customer centres. The Group holds leading positions in several key market segments in its Baltic home markets;

- Large Corporates & Institutions:* Large Corporates & Institutions (“LC&I”) is responsible for Swedbank’s offering to customers with revenues above SEK 2 billion and those whose needs are considered complex due to their multinational operations or their need for advanced financing solutions. LC&I is also responsible for developing corporate and capital market products for other parts of Swedbank and the Swedish savings banks. LC&I works closely with customers, who receive advice on decisions that create long-term profitability and sustainable growth. LC&I is represented in Sweden, Estonia, Latvia, Lithuania, Norway, Finland, China and the United States.
- Group Functions & Other:* Group Functions & Other consists of central business support units and the customer advisory unit Group Financial Products & Advice. The central units serve as strategic and administrative support, comprising Accounting & Finance, Branding, Communication and Sustainability, Risk, Group Channels & Technologies, Compliance, Human Resources and Legal. Group Treasury is responsible for Swedbank’s funding, liquidity and capital planning. Group Treasury sets the prices on all internal deposit and loan flows in the Group through internal interest rates, where the most important parameters are maturity, interest fixing period, currency and the need for liquidity reserves.

Selected Financial and Operational Data

	As of and for the year ended December 31,		
	2022	2021	2020
Private customers (millions)	7.1	7.3	7.3
Corporate customers	550,000	620,000	616,000
Full-time employees.....	16,803	16,565	16,213
Total income (SEK million)	53,221	47,681	46,539
Profit before impairments, Swedish bank tax and resolution fees (SEK million)	31,806	26,834	21,979
Credit impairments (SEK million)	1,479	170	4,334
Profit for the year attributable to the shareholders of Swedbank (SEK million)	21,877	20,871	12,929

2. Risk Factors

2.1 Risks Relating to the Issuer's Financial Situation

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

The Group is exposed to credit risk, or the risk that its borrowers may not repay their loans according to their contractual terms. A deteriorating macroeconomic environment or increased risk profile of the Group's credit portfolio could result in further credit impairment provisions and/or higher capital requirements. If the market value of collateral securing the payment of the loans made by the Group declines, the collateral may be insufficient to cover the loans.

The Group uses through the cycle estimates of probability of default for calculating its regulatory capital requirements. If the risks in the Group's credit portfolio increase, it would result in downgrades in the risk classification system. Any downgrades could result in a higher regulatory capital requirement, which could lead the Group to require additional capital. In addition, the Group values assets and assesses the capital adequacy position of its banking subsidiaries using financial models based on assumptions and estimates taking into account the prevailing market conditions which may prove inadequate if market conditions deteriorate. Changes in foreign exchange rates, decreases in collateral ratios as a consequence of the deterioration of the market value of assets pledged as collateral, or deterioration in the economic environment, among other things, could result in further credit impairment provisions and/or an increase in risk exposure amount ("REA"), which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, credit impairments can have an adverse effect on the Group's results of operations. The Group's credit impairments amounted to SEK 1,479 million for the year ended December 31, 2022 and were mainly due to weaker macroeconomic scenarios and negative rating and stage migrations. The buffer of post-model expert credit adjustments to cover potential future credit impairments, originally related to COVID-19, amounted to SEK 1,738 million at the end of 2022 (compared to SEK 1,796 million at the end of 2021 and SEK 1,533 million at the end of 2020). Credit impairments in the fourth quarter of 2022 amounted to SEK 679 million (with SEK 207 million from macros scenarios, SEK 343 million from rating and stage migrations, SEK 34 million from expert portfolio adjustments, SEK 32 million from individual assessments and SEK 63 million from other). A reassessment of the need in various sectors led to increases in impairments in property management and retail/wholesale, and decreases in impairments related to shipping and offshore. High inflation, high energy prices and rising interest rates combined with geopolitical instability continue to weigh on private persons and companies, yielding high uncertainty regarding economic development going forward. As the quantitative risk models do not yet reflect all potential deteriorations in credit quality, post-model adjustments to increase the credit impairment provisions continue to be deemed necessary.

The credit impairments corresponded to a credit impairment ratio of 0.08 per cent. for the year ended December 31, 2022 compared to a credit impairment of SEK 170 million, corresponding to a credit impairment ratio of 0.01 per cent. for the year ended December 31, 2021 and a SEK 4,334 million credit impairment, corresponding to a credit impairment ratio of 0.26 per cent. for the year ended December 31, 2020. There can be no assurance that the Group will not experience materially higher

credit impairments in the future. For further analysis of credit impairment ratios, refer to the section, “Management Discussion and Analysis of Financial Condition and Results of Operations.”

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

A significant portion, SEK 127 billion, or 22 per cent as of December 31, 2022, of the Group’s external long-term financing, including maturing subordinated debt, matures in the next 12 months. Disruptions, uncertainty and/or increased volatility in the global capital markets may have a material adverse effect on the Group’s ability to raise new financing at all or on favourable terms. This could have a material adverse effect on the Group’s liquidity position, funding maturity profile and operating results. The availability of additional financing depends on a variety of factors, such as market conditions, the availability of credit generally and, specifically for borrowers in the financial services industry, the volume of trading activities.

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

The availability of financing is also affected by the Group’s financial condition, its credit ratings and credit capacity, as well as any negative perception by the Group’s customers or lenders of the Group’s financial prospects if, for example, the Group incurs large loan losses or other losses, experiences significant deposit outflows or if the level of the Group’s business activity decreases due to a market downturn or otherwise. The Group’s access to funds may further be impaired if regulatory authorities impose additional regulatory capital requirements or if ratings agencies downgrade the credit ratings or outlook of Swedbank. This could have a material adverse effect on the Group’s liquidity position, funding maturity profile and operating results. For more information about recent regulatory changes to capital requirements, see “—Swedbank or its financial institution subsidiaries may need additional capital and/or eligible liabilities in the future to maintain capital adequacy ratios or for other reasons, and it may be difficult to obtain such capital and/or eligible liabilities.”

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

On March 26, 2020, S&P lowered Swedbank’s long-term and short-term issuer credit rating on Swedbank AB and its core subsidiary Swedbank Mortgage AB. On April 2, 2020, Moody’s downgraded Swedbank’s long-term deposit and senior unsecured debt ratings, junior senior unsecured debt ratings, subordinated debt ratings and baseline credit assessment. Any downgrade of Swedbank’s credit rating, or the credit ratings of its significant subsidiaries such as Swedbank Mortgage, could increase its borrowing costs, adversely affect the liquidity position of the Group, limit its access to the capital markets, undermine confidence in, and the competitive position of, the Group, or trigger obligations under certain bilateral terms in some of its trading and collateralised financing contracts, including requiring the provision of additional collateral as well as limiting the range of counterparties willing to enter into transactions with the Group. Any such event could have a material adverse effect on the Group’s business, financial condition and results of operations. Any fines or sanctions imposed on the Group by relevant authorities, including the SFSA, could have an adverse impact on the Group’s credit rating. For more information relating to credit rating risks see “Selected Financial Information—Ratings”.

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

If a borrower defaults under one of the Group's loans, the Group may foreclose on the loan and/or acquire title to the assets pledged as collateral, and thereafter make substantial improvements or repairs in order to maximise the asset's realisable value. The borrower may contest enforcement of foreclosure or other compulsory measures, which may delay the foreclosure. The borrower may also seek bankruptcy protection, in which case certain regulatory measures may preclude the Group from enforcing foreclosure or pursuing other remedies against the borrower. Foreclosure-related costs, high LTV ratios or reductions in the value of the assets may prevent the Group from realising an amount equal to its loans upon foreclosure, and the Group may be required to record losses.

Even if the Group is able to successfully foreclose on the collateral securing its exposures, the Group may hold title to pledged assets that it is unable to efficiently repossess or force a sale of, which would adversely affect the Group's ability to recover the value of the collateral securing its exposure. Furthermore, the Group may, as part of its foreclosure on business assets, end up acquiring collateral that is not core to the Group's business and in respect of which it lacks the required operational or management expertise or experience or may be prohibited from owning under applicable regulations. Managing such assets may be costly and may require additional expertise, personnel or outsourcing, options which may not be readily available or available at all. All of the above may adversely affect the Group's business, financial condition and results of operations.

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

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

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

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

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

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

The Group's liquidity could be impaired by an inability to access debt markets, an inability to sell assets or redeem investments, outflows of deposits or collateral deterioration. This could be due to circumstances that the Group is unable to control, such as continued general market disruption, loss of confidence in financial markets, uncertainty and speculation regarding the solvency of market participants, rating downgrades, or operational problems that affect third parties. Perceived liquidity risks from rumours or speculation in the marketplace can, in certain circumstances, lead to real liquidity impairments, which can further lead to, amongst other things, a downgrade in credit ratings, thereby exacerbating a downward liquidity spiral.

The Group, like its Nordic peers, is reliant on wholesale funding due to a structural shortage of deposits in the Swedish banking system, which makes it sensitive to prolonged dislocations in the funding markets. The Group's ability to sell assets at commercially desirable prices, or at all, could be impaired if other market participants are seeking to sell similar assets at the same time or are not in the position to finance themselves, or when the market value of assets, including financial instruments underlying derivative transactions to which the Group is a party, is difficult to ascertain, which occurred during the last liquidity crisis. In addition, financial institutions with which the Group interacts could exercise set-off rights or the right to require additional collateral, which could further impair the Group's access to liquidity. The Group's internal sources of liquidity may prove to be insufficient, and in such case, the Group may not be able to successfully obtain additional financing on favourable terms or at all, which would have a material adverse effect on the Group's business, financial condition and results of operations.

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

The Group, on a consolidated basis, and Swedbank and its financial institution subsidiaries, on an individual basis, are required to maintain minimum capital ratios, eligible liability levels and solvency levels prescribed by law in each of the jurisdictions in which the Group operates. If the capital or eligible liabilities of the Group are not sufficient to meet the applicable requirements or if the applicable requirements increase or the rules concerning what counts as capital or eligible liabilities change, the Group may need to obtain additional capital and/or eligible liabilities in the future and it may not be able to obtain new equity capital or debt financing to meet such requirements on favourable terms, which would have a material adverse effect on the Group's business, financial condition and results of operations.

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

Moreover, developments in the regulatory framework, such as changes in the risk weighting of assets, may cause reductions in the Group's capital adequacy ratios and solvency levels and/or cause the applicable minimum capital or eligible liability requirements to increase. Additionally, macro-prudential authorities may change the Group's capital and/or eligible liability requirements in the future, when they deem it necessary to contain systemic risk. For further detail, see "*Regulatory Considerations – Banking Regulation and Supervision in Sweden.*"

In November 2018, the SFSA published a memorandum explaining its view of the EBA's updated guidelines on banks' internal risk classification systems. In particular, the SFSA required Swedish banks to analyse their internal risk classification systems to ensure that they comply with updated requirements. Swedbank has applied to have new internal models for risk classification approved and the application process is ongoing. The phase-in of the implementation has started and Swedbank has, in addition, decided on an Article 3 add-on, corresponding to the bank's estimate of the remaining REA effect, to be held until all models have been approved and implemented. Uncertainty remains regarding the final impact from the new internal risk models since it is subject to the supervisory authorities' approval.

The proposed reforms to Basel III, including the output floor of 72.5 per cent, are expected to increase the REA and the capital requirements for Swedbank. The magnitude of the increase is still uncertain and will depend on how Swedish and European competent financial authorities choose to implement the new regulatory framework for European and, in particular, Swedish banks. If the REA and capital requirements are increased for Swedbank, it may need to obtain additional capital and/or eligible liabilities in the future and it may not be able to obtain new equity capital or debt financing to meet such requirements on favourable terms, which would have a material adverse effect on the Group's business, financial condition and results of operations. The EU Commission published proposals for implementation of the reforms to Basel III in October 2021. It was proposed that the five-year phase-in period for the output floor should be postponed until January 1, 2025 and end on January 1, 2030. The proposal also contained temporary exemptions beyond those previously proposed by the Basel Committee. The exemptions were proposed to apply until the end of 2032. The EU Council reached an agreement on its proposal in November 2022, which largely follows the initial proposal from the EU Commission. As a next step, the EU Council will negotiate the proposal with the EU Parliament in order to agree on a final version of the texts. The proposal is expected to result in a limited increase of Swedbank's risk exposure amounts. However, the magnitude of the increase is still uncertain and will depend on how Swedish and European financial authorities choose to implement the new regulatory framework for European and, in particular, Swedish, banks.

On December 17, 2021, the SNDO published its decision on resolution plans and minimum requirements for eligible liabilities and own funds ("MREL"). To ensure a linear phase-in of the new requirements, the SNDO decided on target levels applicable to Swedbank as of January 1, 2022. The requirements began phasing in on January 1, 2022, with full compliance expected no later than January 1, 2024. Swedbank will be required to issue an amount of additional eligible liabilities in the form of senior non-preferred debt or other eligible MREL instruments in order to meet the new MREL requirements by January 1, 2024.

Given that the new MREL requirements must be met by all EU credit institutions, there is a risk that there is not a sufficient investor appetite in the debt markets for the aggregate volume of eligible liabilities which must be issued up until January 1, 2024, which would have a negative effect on the price and value of such instruments. The degree to which the price and value of such instruments may vary is uncertain and presents a highly significant risk to Swedbank's or the Group's income.

Furthermore, if Swedbank were to experience difficulties in raising such eligible liabilities, it would have to reduce its lending or investments in other operations. This is likely to lead to a decrease in Swedbank's income which, if its costs remain unchanged, would decrease its operating result.

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

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

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

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

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

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

In 2022, the Group occasionally experienced system disruptions that affected customer access to services. A significant fraction of IT incidents were caused by external parties.

On April 28 and 29, 2022, Swedbank experienced a serious IT incident in connection with a system update. The incident caused incorrect balances to be shown in customers' account statements and subsequent payment problems while also affecting the availability of the bank's services. On July 6, 2022, the SFSA launched an investigation as to whether Swedbank had followed the appropriate laws,

regulations, internal routines and processes in connection with the IT incidents. On March 15, 2023, Swedbank announced that it had received an administrative fine of SEK 850 million from the SFSA regarding the incident. The SFSA remarked that Swedbank had made a change to an IT system without following Swedbank's internal procedures and processes. Swedbank takes this incident seriously and has taken extensive action to prevent similar events from occurring.

During 2022, Swedbank experienced several incidents affecting the stability of the Internet Bank as a channel in the Baltic countries, and the availability for Swedbank's Baltic customers to initiate payments and access accounts. This followed a number of incidents in 2021 in Sweden, and to a lesser extent across the Group. The primary impact for Swedbank from such incidents is reputational, but financial impact due to lost business and additional costs related to incident management and recovery may also occur. These types of incidents may expose Swedbank to monetary damages, direct or indirect costs, direct or indirect financial loss, civil and criminal penalties, loss of licences or authorizations, penalties or regulatory restrictions.

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

The Group's operations in the Baltic countries present various risks that apply to a lesser degree to its business in Sweden. In particular, the Group faces higher economic, geopolitical and political risks in the Baltic countries. The prominent risks to be mentioned are heightened geopolitical risks due to the proximity to the war in Ukraine, additional economic volatility, recession, inflationary pressure, increased interest rates, sanctions, embargos, trade wars and changes in law or tax policy. Since February 24, 2022, when Russia invaded Ukraine, which resulted in full scale war, the United States, the United Kingdom and the EU have imposed economic sanctions on Russia and its ally, Belarus. The sanctions have had and may continue to have substantial effects on energy prices and supply across Europe. Many companies have had to revisit their supply chains and also cease their operations from Russia, Belarus or Ukraine. All of the effects above, in turn, may trigger changes in economic, regulatory or further changes to monetary policy and may have a material adverse effect on Swedbank's business, financial condition and results of operations.

Potential escalations of the conflict and new sanctions, adding to the already elevated price pressures, could negatively affect economic activity. In addition, potential cyber-attacks on Baltic and Nordic state infrastructures may cause disturbances impacting Swedbank and its customers. Lithuania's diplomatic dispute with China over opening an official Taiwanese representative office in Lithuania had not created any immediate harm to the economy, but may pose further risks to the Baltic economies. Risks such as these could impact the ability or obligations of the Group's borrowers to repay their loans, the value of the Group's collateral held as security, interest rates and foreign exchange rates, and the levels of economic activity. In addition, the Group may face a higher risk of money laundering activity in the Baltic countries and there can be no assurance that the Group's anti money laundering policies and procedures have effectively mitigated or will effectively mitigate the risk associated with these jurisdictions. As discussed in "*—Risks Relating to the Internal Control and Compliance—The Group is exposed to money laundering, terrorist financing and financial sanctions risks, and has been and is still subject to investigations by certain authorities into allegations that the Group may have processed money laundering transactions and may have violated OFAC sanctions,*" the Group is responding to serious allegations that significant sums of money were transferred through the Group's Baltic subsidiaries by customers who may have been involved in money laundering. All of the foregoing factors could have a material adverse effect on the Group's reputation, business, financial condition and results of operations.

2.2.3 *The Group is exposed to concentration risk*

The Group is exposed to geographic concentration risk in the form of exposure to Sweden. For the full-year 2022, the Swedish Banking business segment generated 59.6 per cent of the Group's total income and 68.8 per cent of its profits and therefore a downturn in this segment could materially impact the Group.

The Group is also exposed to sector concentration risk due to the fact that a large share of its loans are private mortgages or are made to the property management industry. Private mortgage loans constituted 57 per cent of Swedbank's total loan portfolio as of December 31, 2022, with 89 per cent of the private mortgage loans in Sweden. Property management was the largest corporate sector and constituted 16 per cent of the total loan portfolio as of December 31, 2022, with 80 per cent of the property management loans in Sweden. A weaker economic situation, increasing interest rates, increased market competition or deteriorating conditions in this sector could have a material adverse effect on the Group's business, financial condition and results of operations.

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

Swedbank's activities continue to be exposed to a risk of cyber-attacks, the nature of which is continually evolving. Digital developments, together with Swedbank's size and market share, make it a potential target for cybercrime, the cost of which is rising significantly. In particular, the Group is the subject of cyber fraud attempts, which are primarily related to the Group's card and internet banking operations. Instances of internet banking fraud largely stem from social engineering of the Group's customers and employees, which results in unauthorised persons gaining access to customers' accounts, circumventing technical and logical protection mechanisms. Fraud related to card operations mainly results from theft of card information at retailers and other points of sale. Swedbank may need to compensate customers for their losses unless the customer has been grossly negligent.

The number of cyber-attacks against the financial industry has increased. During 2022, Swedbank's external cyber-attack threat level was assessed as elevated and Swedbank experienced denial of service attempts against its infrastructure on a reoccurring basis.

The Group continues to face the risk of security breaches and unexpected disruptions to its systems and services. Such security breaches and unexpected disruptions could in turn result in liability to the Group's customers and third parties and have an adverse effect on the Group's business, reputation, financial condition and operations.

2.2.5 *Risks relating to changes in accounting and reporting standards.*

From time to time, the International Accounting Standards Board (the "IASB"), the EU and other regulatory bodies change the financial accounting and reporting standards that govern the preparation of the Group's financial statements. These changes can be difficult to predict and can materially impact how the Group records and reports its results of operations and financial condition, and impact its capital and eligible liability levels. In June 2020, IASB decided to defer the effective date of IFRS 17 Insurance Contracts to January 1, 2023. IFRS 17 Insurance Contracts was approved by the EU in November 2021 and is applicable from January 1, 2023, with transition date January 1, 2022. IFRS 17 replaces IFRS 4 Insurance contracts and sets out the principles for recognition, presentation, measurement and disclosure of insurance contracts issued and reinsurance contracts. The key differences between IFRS 17 and IFRS 4 relate to revenue recognition and liability valuation. Under IFRS 4, entities were free to derive their own interpretations of revenue recognition and calculation of reserves, while IFRS 17 introduces a measurement model with consistent definitions for cash flows within contract boundaries, discount rates, risk adjustment for non-financial risks and contractual

service margins. From January 1, 2023, the Group will present information from 2022 in line with IFRS 17 and not IFRS 4.

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

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

As of December 31, 2022, substantially all of the Group's Swedish retail mortgage portfolio was in the cover pool of Swedbank's wholly owned subsidiary, Swedbank Mortgage. The retail mortgages issued by Swedbank Mortgage comprise the cover pool and thereby serve as security for holders of the covered bonds issued by Swedbank Mortgage and for counterparties under derivatives contracts entered into for hedging purposes in relation to such covered bonds. These mortgages do not form part of the general assets of Swedbank that would be available to Noteholders in the case of insolvency or liquidation of Swedbank. The Group intends to cover a significant part of its long term funding requirement through the additional issuance of covered bonds, which will be secured by future retail mortgages issued by Swedbank Mortgage. As of December 31, 2022, the Group had SEK 343,283 million of covered bonds outstanding. The Notes are unsecured obligations of Swedbank, and Holders are structurally subordinated to the covered bondholders and hedge counterparties with respect to the covered bonds. Holders are not likely to ever have access to the cover pool securing the covered bonds issued by Swedbank Mortgage and the related derivatives if Swedbank should become insolvent or be liquidated.

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

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

The Group makes contributions to the pension schemes so that the plan assets cover obligations in accordance with Swedish legal requirements. If a deficit arises the Group could be obliged to, or may choose to, make additional contributions to the schemes. Swedbank's fair value of plan assets exceeded the obligations for funded defined benefit pension plans. In total, the fair value of plan assets exceeded the obligation for funded defined benefit pension plans by SEK 2.4 billion at the end of 2022, as compared to a pension liability of SEK 1.8 billion at the end of 2021. The rules in IAS 19 regarding defined benefit pension plans could create volatility in the estimated pension liability and thus in Swedbank's equity through other comprehensive income. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Basel III."

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

Entities within the Group could be involved from time to time in legal proceedings or be subject to investigations arising from the conduct of their business. The reputational and aggregate potential liability in respect thereof cannot be accurately assessed. Any material legal proceedings or investigations, or publicity surrounding such legal or regulatory proceedings, could adversely impact the Group's business, reputation, financial condition and results of operations. For further details, please see “—Risks Relating to Internal Control and Compliance—The Group is exposed to money laundering, terrorist financing and financial sanctions risks, and has been and is still subject to investigations by certain authorities into allegations that the Group may have processed money laundering transactions and may have violated OFAC sanctions” and “Swedbank—Legal Proceedings.”

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

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

Swedbank has recently experienced changes within the Group, including in the composition of its Group Executive Committee. For further details, see “Management – Group Executive Committee”.

Prolonged changes in management may lead to a decline in employee morale or employee engagement and may result in increased employee turnover. Employee competence and dedication to customer service impacts the Group's customers' experience and contributes to customer value. Employees have a high workload and the Group requires complex planning of resources, with a need to prioritise both business-driven development and regulatory-driven development while simultaneously managing day-to-day operations. Increased staff-related risks could materially adversely affect the Group's business, financial condition and results of operations.

2.2.10 *Impairment of goodwill and other intangible assets could have a negative effect on the Group's results of operations*

Swedbank performs impairment tests on goodwill and other intangible assets at least once per year or whenever there are indications of a decrease in the value of goodwill or other intangible assets. The outcome of any impairment test model depends, among other things, on key input data on macroeconomic factors and long-term growth assumptions.

The Group's goodwill amounted to SEK 13,774 million as of December 31, 2022, of which SEK 11,257 million related to the investment in the Baltic banking operations.

Should economic conditions worsen beyond the Group's expectations, or should there be a change in regulatory conditions affecting the Group's assets, either in any of the Group's home markets or in

general, an impairment charge relating to goodwill and other intangible assets may need to be recognised, which could have a material adverse effect on the Group's business and financial condition results of operations. For additional information see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Impairment of Intangible Assets."

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

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

A significant portion of the Group's profit is generated by Swedbank Mortgage. Swedbank Mortgage's credit risks arise primarily in its lending to the public, consisting of private individuals, tenant-owner associations and the agriculture and forestry and property management sectors. As of December 31, 2022, 82 per cent of Swedbank Mortgage's credit portfolio consisted of lending to private individuals and was secured by single-family homes and tenant-owned rights. 13 per cent consists of lending to residential and commercial real estate properties (mainly owned by tenant-owner associations and property management companies).

In the years leading up to 2022 in Sweden, low interest rates (with real interest rates on mortgages in Sweden decreasing from 8.5 per cent to -0.4 per cent. between 1995 and 2021), historically low inflation, higher housing prices and increased disposable household income led to strong growth in demand for loans, especially in the residential mortgage market. However, in 2022, high inflation and increased market interest rates significantly changed conditions in the housing market. Inflation is expected to continue to rise, peaking in early 2023, but volatile energy prices have made forecasts more uncertain. In 2022, the Riksbank raised its key interest rate several times, most recently in February 2023, to 3.0 per cent. While during COVID-19, from 2020 to 2021, the increase in housing prices accelerated with housing prices rising by 23 per cent., after a peak in February 2022 housing prices have fallen considerably. In annual terms, housing prices decreased by 12 per cent. in December 2022 as compared to December 2021 according to the Valueguard price index. Houses exhibited the largest price decrease by 12 per cent. compared to flats, which experienced a 9 per cent decrease in December 2022 as compared to December 2021.

In addition to these trends, a significant risk facing the Swedish economy is the level of household debt, which has reached historically high levels, with Sweden's estimated household debt-to-disposable income ratio at 200.1 per cent. at mid-year 2022, according to the SFSA in November 2022. Household debt build-up continues to grow but at a slower pace. Lending to households has increased by an average of 5.7 per cent. on an annualised basis from January to November 2022, mainly driven by mortgage loans. But the growth rate decelerated in the second half of 2022. In December 2022, the annual lending growth to households was 3.5 per cent., the lowest growth rate since 2006.

In 2021, a shortage of housing, low interest rates and higher house prices led to a rapid increase in the volume of home lending, which slowed in 2022 due to inflationary pressures and the tightening of monetary policy. As of December 2022, 46.9 per cent. of the household total mortgage stock in Sweden had a floating interest rate (with adjustments more frequently than annually), which means nearly half of Swedish households were exposed to increases in interest rates and higher debt service costs. In turn, significant portions of heavily indebted households have experienced diminished purchasing power, which has played a key role in the recent drop in Swedish housing prices. If interest rates continue to increase, a portion of Swedish households may no longer be able to afford their mortgage payments or new households may be deterred from entering the mortgage market, which could in turn lead to a further decrease in housing prices. In addition, households may owe more on their houses than their property is worth, which may increase default rates among Swedish borrowers.

As the Group, through Swedbank Mortgage, is one of Sweden's leading mortgage lenders with a market share of 22 per cent. as of December 31, 2022,¹ any increase in default rates whether due to a decrease in housing prices or otherwise could, in turn, have a material adverse effect on the Group's business, financial condition and results of operations.

Additionally, due to the historically high household indebtedness levels, continued decreases in housing prices, or increases in interest rates may cause a significant decrease in household incomes, net assets and/or wealth and consumption, which would in turn have an effect on the broader economy.

Successive Swedish governments have implemented policies to attempt to mitigate these risks and secure financial stability. In response to the current market trends, the Swedish government is expected to provide support of approximately SEK 55 billion for high-cost protection schemes for energy expenses for households and companies. For example, electricity subsidies to households and businesses have been delayed and on February 20, 2023, support will be paid to households in southern Sweden. The government has also promised support to households in northern Sweden, though it remains uncertain when companies will receive support as conditions have changed compared to when support was previously promised. The government has also reduced fuel tax and has proposed extending the possibility for companies to receive temporary tax deferrals. As a whole, the government's aim is to give companies and households the ability to get through a temporary difficult period of liquidity shortages.

However, such measures may be inadequate or have unpredictable consequences. The potential for household mortgage defaults and increased corporate bankruptcies, in addition to the risk that more companies will have liquidity problems due to high cost increases, remains a credit risk for Swedish banks such as Swedbank, which could have a material adverse effect on the Group's business and financial condition results of operations. The Central Bank of Sweden has during several years expressed concern about the housing market and the increase in household lending and has asked for additional macro prudential tools, such as decreased interest deduction, debt ratio of disposable income and lower mortgage share with flexible interest rates. While discussions about reductions in interest deductibility have intensified, political consensus on this matter has not been reached. If such macro prudential tools are implemented and prove to be too stringent, this could have a negative impact both on Swedish growth and on the real estate market. The rapid rise in interest rates in 2022 and falling house prices have led to discussion, not least among politicians, about easing the amortisation requirements as was done during the pandemic.

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

The Group is subject to risks typical of banking activities, including interest rate fluctuations. Changes in interest rate levels, yield curves and spreads may affect the Group's lending and deposit spreads. The Group is exposed to changes in the spread between the interest rates payable by it on deposits or its wholesale funding costs, and the interest rates that it charges on loans to customers and other banks. Not being able to re-price the Group's assets and liabilities at the same time gives rise to re-pricing gaps in the short or medium term. In situations with a low or negative interest rate environment the Group may not be able to lower its funding costs, in line with decreases in interest rates on its interest-bearing assets. Due to regulations, the Group is also required to maintain a liquidity buffer, mainly consisting of central bank assets, that is also sensitive to changes in interest rates.

Interest rates are sensitive to several factors over which the Group has no control, including fiscal and monetary policies of governments and central banks, as well as domestic and international political

¹ Statistics Sweden (Sw: Statistiska Centralbyrån, SCB), www.scb.se.

conditions. An increase in interest rates could reduce the demand for credit, as well as contribute to an increase in defaults by the Group's customers. During the interest increase in 2022, the Swedish mortgage market saw a decrease in lending growth, due to the decline in economic activity and uncertainty in the housing market. Conversely, a reduction in interest rates could adversely affect the Group through, among other things, a decrease in demand for deposits and an increase in competition in deposit-taking and lending to customers. As a result of these factors, significant changes or volatility in interest rates could have a material adverse effect on the business, financial condition or results of operations of the Group. It is difficult to predict changes in economic or market conditions and to anticipate the effects that such changes could have on the Group's financial performance and results of operations. The Group does not hedge all its risk exposure and cannot assure that its hedging strategies will be effective. If the Group is unable to adjust the interest rate payable on deposits in line with the changes in market interest rates receivable by it on loans, or if the Group's monitoring procedures are unable to manage adequately the interest rate risk, its interest income could rise less or decline more than its interest expense, in which case the Group's results of operations and financial condition or prospects could be negatively affected. The Swedish mortgage market experienced a decrease in lending growth as a result of housing market and economic activity, any such decrease in lending could have a material adverse effect on the Group's business and financial condition results of operations.

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

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

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

Even the perceived lack of creditworthiness of, or questions about, a counterparty could lead to market-wide liquidity problems and losses or defaults by the Group or by other institutions. This risk is

sometimes referred to as “systemic risk” and could adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom certain of the Group’s subsidiaries interact on a daily basis. Systemic risk could have a material adverse effect on the Group’s ability to raise new funding and on its business, financial condition, results of operations, liquidity and/or prospects.

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

In the event of dislocation of financial markets, the fair value of certain of the Group’s assets may decline significantly, causing the Group to record mark-to-market losses. The fair value may also fluctuate over short periods of time. In addition, these market conditions may affect the availability of observable market data. As a result, the Group’s estimates of fair value may differ materially both from similar estimates made by other financial institutions and from the values that would have been used if a market for these assets had been readily available.

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

Market fluctuations, particularly fluctuations in the equity market, also influence the value of assets in funds managed by the Group’s asset management business and have a direct impact on the income volatility of the asset management activities.

The Group’s level of fees and returns from its equity investments in its insurance subsidiaries are impacted by any decrease in the value of their investment portfolios, poor investment returns and the requirement to maintain assets sufficient to cover mandatory provisions for insurance claims.

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

The Group is subject to significant competition in the markets in which it operates. Competition may increase in some or all of the Group’s markets as a result of legislative, regulatory, technological or other factors. Increased competition or a decline in customer satisfaction could cause the Group to lose business or compel it to price products and services on less advantageous terms, or otherwise have an adverse effect on its business, financial condition, results of operations and prospects. Competition in the Swedish mortgage market, one of the Group’s core areas, has increased in recent years and has had and may continue to have a negative effect on the Group’s margins in the future. Digitisation continues at a brisk pace and customers are increasingly banking through digital channels rather than visiting a branch, which is placing higher demands on the stability of IT systems and on the banking sector to adapt products and distribution channels. In addition, increased competitor participation in the financial sector generally in the Group’s principal markets may have an impact on the competitive landscape in such markets and on the way in which banks in those markets conduct their operations. At present, it is difficult to predict what the effects of this increased competitor participation will be or how it will differ from jurisdiction to jurisdiction, should it materialise. However, the Group expects that in order to remain competitive, it will need to continuously improve customer offerings and cost efficiency to produce increased customer value. The Group may experience

stronger competition and greater pressure on profit margins. These and other changes in the competitive landscape could adversely affect the Group's business, financial condition, results of operations, liquidity, markets and/or prospects. Increased competition in digital channels requires the Group to continuously improve and increase the amount of digitally available services it offers its customers. This could lead to increased resilience risk as well as increased fraud and personal data protection risk as organized crime tends to exploit digital channels for fraudulent purposes.

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

In the normal course of business, the Group enters into various commercial agreements with companies related to the banking industry. The Swedish part of the Group has co-operation agreements with Swedish savings banks, pursuant to which the co-operating banks market and distribute a range of the Group's products and services through their own local branch networks. If the reputation or financial condition of one or more of the co-operating banks, through action or inaction, were to be adversely affected while operating under the Group's trademark, the Group's reputation could also be adversely affected regardless of whether the Group contributed to the action or inaction causing such reputational or financial injury, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

2.3.7 *The Group is exposed to climate change related risks.*

The risks associated with climate change may impact Swedbank's customers and their financial stability which may result in financial losses and/or reputational damages for Swedbank. Physical climate risks arising from extreme weather events or chronic climate changes may lead to damages on property or disruptions in supply chains which may negatively impact customers' asset values and financial situation, which could negatively impact the quality of Swedbank's credit portfolio. The transition to a low-carbon economy, driven by policy, technological or market changes, and necessary to mitigate physical risks, may itself have negative impact on Swedbank's customers. Notably, customers in high-emission sectors risk demands for rapid changes which may lead to stranded assets and pressure on business models and earnings potential. The possible negative impacts on customers from both physical and transition climate risks may lead to decreased collateral values and increased default rates and credit impairments for Swedbank. Swedbank classifies the following four industry groups as the most exposed to climate change risks: (i) energy, (ii) transportation, (iii) materials & building including real estate and (iv) agriculture, food, and forestry products. Swedbank's loans gross carrying amount to these four industry groups was approximately 31 per cent. as of December 31, 2022.

Significant climate-related and environmental related regulations for banks were issued in 2020 and further regulations are expected. The two most important guidelines launched in 2020 are the European Central Bank ("ECB") Guide on climate-related and environmental risks" and the 'EBA guidelines on loan origination and monitoring'. The denominator of the guidelines is the focus on ESG. It is expected that the ECB will require banks to adopt a full end-to-end approach of climate-related and environmental risks embedded across every aspect of the bank. Failure to adequately embed risks associated with climate change into its risk framework to appropriately measure, manage and disclose the various financial and operational risks it faces as a result of climate change, or failure to adapt its strategy and business model to the changing regulatory requirements and market expectations on a timely basis, may have a material and adverse impact on the Swedbank's trading performance, financial condition, competitiveness, results of operations and prospects.

2.4 Risks Relating to Internal Control and Compliance

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

The Group is subject to anti-money laundering, terrorist financing and sanctions laws and regulations. These laws and regulations are continually evolving, and compliance by the Group may be time consuming and require the Group to incur significant costs. In particular, in recent years, regulators and other authorities have steadily increased their demands and expectations regarding financial institutions' ability to counter money laundering and terrorist financing.

Violations of anti-money laundering laws and regulations, including in connection with the allegations and investigations discussed below, may have significant financial, legal and reputational consequences for the Group and may, as a result, have a material adverse effect on the Group's financial condition and results of operations.

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

On March 19, 2020, the SFSA concluded that, during the period 2015 to the first quarter of 2019, Swedbank had large deficiencies in its governance of anti-money laundering measures in its Baltic subsidiaries. The SFSA also found that Swedbank had deficiencies in its Swedish Banking operations, and therefore has not met anti-money laundering requirements in its Swedish operations and that it did not sufficiently address the risk of money laundering in the Baltics. In addition, the SFSA noted that in their opinion, in some instances, Swedbank withheld documentation and information and, in one case, in March 2019, Swedbank also provided the SFSA with false information. The SFSA issued a warning to Swedbank and imposed an administrative fine of SEK 4 billion, which Swedbank charged as an expense in the first quarter of 2020, for both the investigation regarding Swedish Banking anti-money laundering and counter-terrorist financing processes, initiated in 2018 and the investigation regarding Swedbank's internal control and governance of anti-money laundering measures in the Baltic operations, initiated in 2019.

On the same day, the EFSA concluded that the Estonian subsidiary had severe deficiencies in its anti-money laundering risk control systems and Swedbank failed to meet its anti-money laundering requirements. The EFSA issued a precept requiring the Estonian subsidiary to take comprehensive measures to properly understand and mitigate past and current risks, in addition it must review and amend its organisational framework to more effectively manage risks. On November 19, 2020, Swedbank AS submitted a final report describing the actions taken to comply with the EFSA precept. On January 28, 2021, the EFSA determined that the activities of Swedbank AS and the evidence presented in the final report were adequate and that the matter did not require additional remarks. The EFSA is expected to follow up with implementation activities as part of its regular supervisory inspections. The issue of whether money laundering or other criminal acts took place in the Group is still being investigated by the Estonian Prosecutor's Office. Swedbank has not received any notification so far that it is under suspicion, but has been cooperating and providing requested materials. If the Estonian Prosecutor's Office finds evidence of money laundering or other criminal acts, it could charge individuals or Swedbank's Estonian subsidiary with criminal liability, which could include imprisonment for convicted individuals or a fine of up to EUR 16 million per conviction, though Swedbank does not have any information as to whether the Estonian subsidiary will be treated as a suspect in this case.

On March 14, 2022, Swedbank AS, an Estonian subsidiary of the Group, was notified by the Estonian Central Criminal Police's special investigator of white-collar crime (the "Estonian Special Investigator") that Swedbank AS was summoned as a suspect in a criminal investigation. On March 24, 2022, the Estonian Special Investigator informed Swedbank AS that it was suspected of money laundering during the period 2014 to 2016. Any additional fines or sanctions imposed on the Group could have an adverse impact on the Group's business operations or reputation.

In addition to the investigations regarding anti-money laundering controls, U.S. authorities, including the Department of Justice ("DOJ"), the Securities and Exchange Commission ("SEC"), OFAC and the New York Department of Financial Services ("DFS"), continue to investigate Swedbank's historical anti-money laundering and counter-terrorism financing work and historical information disclosures.

These investigations are ongoing and Swedbank has been holding individual discussions with the relevant authorities through its U.S. legal advisors. As the investigations are at different stages, Swedbank cannot determine at this time when the investigations will be completed, however, Swedbank has made a provision of SEK 40 million for potential financial impacts related to OFAC's investigation.

On March 11, 2020, Swedbank notified OFAC of 586 (which figure was corrected to 540 in December 2020) transactions by the Baltic subsidiaries, amounting to approximately USD 4.8 million (which figure was corrected to USD 4.5 million in December 2020), that constitute potential sanctions violations (based on the OFAC country-based sanctions list). On August 26, 2022, Swedbank made a full voluntary disclosure to OFAC regarding goods of Iranian origin related to transactions from 2017 and 2018. OFAC penalties generally can include significant fines (USD 250,000 or twice the amount of each underlying transaction up to USD 1,075,000 per violation) and potential jail time for culpable individuals.

In addition, on September 18, 2020, Swedbank received notification from the SFSA that it was investigating Swedbank for suspected historical breaches of the regulation on market abuse ("MAR"). The investigation encompasses the period from September 20, 2018 to February 20, 2019 and pertains to disclosure of insider information and the obligation to establish an insider list (Articles 17 and 18) in connection with the disclosure of suspected money laundering within Swedbank. During the second quarter of 2021, Swedbank was in dialogue with the SFSA and provided it with additional information. On October 26, 2021, the SFSA notified Swedbank that it closed its investigation with no comment.

In May 2021, the Nasdaq Stockholm Disciplinary Committee ordered Swedbank to pay a fine corresponding to twelve times the annual fee, or a total of SEK 46.6 million, in relation to historical shortcomings occurring during the period December 2016 to February 2019.

The Swedish Economic Crime Authority ("EBM") concluded its investigation, which began in 2019, and the prosecutor's office filed charges against the former CEO of Swedbank on January 4, 2022. On January 25, 2023, the former CEO was acquitted of all charges. On February 15, 2023, the Chief Prosecutor and Deputy Chief Prosecutor decided to appeal the Stockholm District Court's acquittal verdict from January 25, 2023. The case will be tried by the Court of Appeals. The EBM has not filed any charges against Swedbank.

On November 25, 2021, the Danish Financial Supervisory Authority ("DFSA"), as part of its regular supervision, announced that Swedbank's Danish branch must adapt its internal anti-money laundering and counter-terrorism financing routines and processes to fully comply with local regulations. Swedbank is currently adapting its processes and routines in Denmark in accordance with the DFSA's decision.

There can be no assurance that other authorities will not take similar actions against the Group, including the imposition of fines which may be significant and have an adverse effect on the Group's financial condition and results of operations. In addition, there can be no assurance that further information regarding allegations of violations or actual findings of violations will not arise as a result of investigations that are either ongoing or concluded. As of the date of this Base Prospectus, Swedbank is not aware of when the investigations by other authorities may be concluded, or whether any additional sanctions or penalties may be imposed. For further details, please see "*Swedbank—Legal Proceedings.*"

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

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

There can be no assurance that Swedbank's Group-wide anti-money laundering and counter-terrorist financing and sanctions compliance policies and procedures will effectively prevent instances of money laundering or terrorism financing or breaches of applicable sanctions. Violations of anti-money laundering or counter terrorist financing or sanction rules, including in connection with the allegations and investigations discussed above, may have severe financial, legal and reputational consequences for the Group. The Group has experienced a decline in customer satisfaction and trust in relation to reputational harm related to these investigations. If the Group is unable to successfully combat this, it may, as a result, have a material adverse effect on the Group's financial condition and results of operations.

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

The management of business, regulatory and legal risks requires guidelines and policies for the accurate registration and control of a large number of transactions and events. Such guidelines and policies may not always be adequate. Some methods used by the Group to estimate, measure and manage risk are based on historical market behaviour. The methods may prove to be inadequate for

predicting future risk exposure, which may differ from what is suggested by prior experience. Other methods for risk management are based on evaluation of information regarding markets, customers or other information that is publicly known or otherwise available to the Group. Such information has not always been, and may not always be, correct, updated or correctly evaluated and may be inadequate for the purpose of risk management. If any gaps in risk management exist, the Group may make decisions based on faulty information, which may in turn have a material adverse effect on the Group's business, financial condition and results of operations.

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

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

The Group's reputation could be damaged and there may be a reluctance on the part of clients to enter into transactions where there is the possibility of a conflict of interest, or if the Group is seen as failing to identify, or deal appropriately with, conflicts of interest or employee fraud.

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

2.5 Risks Relating to Macro-economic and Political Events

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

EU member states and public finances in Europe face many challenges, including those related to demographic and political trends. On February 24, 2022, Russia initiated military operations in Ukraine. The United States, the United Kingdom and the EU have implemented substantial economic sanctions against Russia, which are expected to have substantial impacts on energy prices, energy supply, and potentially the functioning of the banking system in Europe. These effects, in turn, may lead to changes in economic or regulatory policy. All of the foregoing developments may have a material adverse effect on the Group's financial condition and results of operations.

Other geopolitical events, such as deteriorating trade relations, could result in volatility in oil prices and in turn negatively impact the global economy. In turn, sluggish global growth and declining world trade could have a dampening impact on Swedish export industries. For example, credit impairments increased in 2022, mainly due to increased provisions driven by the deteriorating macroeconomic outlook. In 2022, inflation rose sharply, reaching 10.2 per cent. in December, the highest level since 1991. Initially, rising global energy prices due to the war in Ukraine drove up inflation, but has since spread to other goods and services. The Riksbank raised its key interest rate from 0.5 per cent. in early 2022 to 2.5 per cent. in November 2022. High inflation and rising interest rates have markedly worsened household purchasing power. The average interest rate on household loans was 3.43 per cent. in November according to Statistics of Sweden, more than doubled compared to November 2021 and the highest level since 2012.

As a result of the various global macroeconomic trends, such as uneven growth, the Group may experience reductions in business activity, increased funding costs, decreased liquidity, decreased

access to the wholesale funding markets, decreased asset values, additional credit impairment losses and lower profitability and income, which could have a material adverse effect on the Group's business, financial condition and results of operations.

For further detail, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Global Overview and Other Macroeconomic Factors."

2.5.2 *The global coronavirus pandemic and the Russian invasion of Ukraine have led to significant volatility in financial, commodity and other markets and could harm the business and results of operations of the Group.*

An outbreak of a novel strain of coronavirus ("COVID-19"), which first emerged in China in late December 2019, spread to other parts of the world including Sweden. In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. During the beginning of the pandemic in Spring 2020, a sharp decline in consumption and travel and disruption in global supply chains occurred, which, in combination with general uncertainty regarding the evolution and resolution of the pandemic, resulted in significant volatility in financial, commodity and other markets and substantial harm to the global economy. In addition, measures by various governments to reduce the spread of COVID-19 led to a sharp decline in economic activity, resulting in the closure of a number of companies and rising unemployment. However, comprehensive stimulus measures introduced at the beginning of the pandemic and central bank monetary policies contributed to the rapid recovery of the global economy in 2021 and early 2022. However, prolonged COVID-19 outbreaks and lockdowns in China and a resurgence of COVID-19 in other parts of the world may stunt global growth.

In Sweden, the pandemic, as well as restrictions imposed by government authorities, had the largest impact on GDP in the second quarter of 2020, resulting in an 8.6 per cent. contraction. By the third quarter of 2020, GDP rebounded strongly by 4.3 per cent. compared with the previous quarter, driven by expansive fiscal and monetary policy and a recovery in global growth, as economies around the world began to scale back restrictions and open borders. Overall in 2022, Swedish GDP is expected to have increased by 2.7 per cent. according to the National Institute of Economic Research's in its December 2022 forecast. This is significantly lower compared with 2021 when GDP increased by 5.1 per cent. The labour market has started and is expected to continue to deteriorate in 2023 as employment-intensive industries such as retail and construction are affected by high interest rates and weaker private consumption due to the high inflation. The Baltics have also been impacted by the pandemic but the economic impact there has been less severe than in the rest of the Eurozone. In 2022, COVID-19's impact on the Baltics' economy has been limited, although growth has been negatively affected by other macroeconomic factors. According to the Swedbank Economic Outlook from December 2022, the GDP in Estonia is expected to have decreased by 0.4 per cent. in 2022. In Latvia GDP is expected to have increased by 1.6 per cent. in 2022 and Lithuania is expected to have increased by 2.4 per cent. during the same period.

Despite a successful vaccination programme in many countries, the risk to the global economy of further virus mutation continues. Inequality in access to vaccines and low vaccination rates among countries and regions further complicates the risk of further virus mutations. Due to the spread of delta and other variants of COVID-19, particularly in China, disruptions in global trade flows, including port closures, led to a shortage of input goods in large parts of the world and negatively impacted growth. Strong global growth and a shift to renewable electricity generation have also driven global energy prices up, resulting in higher inflation rates than before the pandemic. Another wave of infections due to virus mutations could result in a more widespread health crisis, which, in combination with the financial consequences for corporations and individuals due to the various pandemic containment measures undertaken by governments, including lockdowns, may in turn result in protracted volatility in international markets and/or result in a deeper and extended global recession as a consequence of disruptions to nearly all economic sectors. The extent of the economic impacts resulting from COVID-

19 and other events beyond the Group's control will depend on future developments and remain highly uncertain and cannot be predicted. Any of these factors could have a material adverse effect on the Group's business, financial condition and results of operations.

The Russian invasion of Ukraine on February 24, 2022 significantly changed the geopolitical situation in the Baltic Sea region. The war and Western sanctions on Russian energy exports have pushed global inflation to its highest level in decades. It also started the EU's energy crisis, with electricity prices reaching record highs across Europe. Due to high inflation, central banks raised interest rates, affecting companies and households that are highly indebted. A long-term challenge in most of the Organisation for Economic Co-operation and Development ("OECD") countries is the general growth of government deficits, which have reached record high levels in many OECD countries during the COVID-19 pandemic. Increased government debt tends to drive up long-term bond yields. At the same time, supply shortages in the global economy have become increasingly apparent and an ongoing challenge for the global recovery. These shortages have driven global inflation up, mainly due to higher commodity prices.

This market volatility, if it continues, or the global contraction in economic activity could have a material adverse effect on the Group's customers and on the Group's business, financial condition and results of operations.

The current situation with high energy prices, high inflation and rising interest rates have created challenges for both private individuals and corporations and is expected to have a negative impact on future credit quality. This is reflected in increased credit impairment provisions for the Group in 2022. Due to the high uncertainty regarding future development and the quantitative risk models not yet reflecting all potential deteriorations in credit quality, Swedbank has maintained its buffer of post-model expert credit adjustments.

The COVID-19 pandemic, combined with worsening labour market conditions, was expected to have an adverse effect on the Swedish housing market and housing prices. However, as reported in the Valueguard-KTH Housing Index Sweden, housing prices increased after the outbreak of COVID-19, mainly for single-family homes, supported by lower interest rates and increased demand for larger living spaces due to the prevalence of remote working arrangements. Temporary amortisation suspension during the COVID-19 pandemic, which ended on August 30, 2021, also pushed up housing prices according to the SFSA. As of December 31, 2021, the amortisation rules have reverted to the requirements pre-pandemic, thereby requiring households with high loan-to-value and debt-to-income ratios to amortise their mortgages. Further, house prices in Sweden have now fallen by approximately 13 per cent. since they peaked in February 2022. The number of property transactions continue to fall, and houses are staying on the market for longer than normal. Higher interest rates and a weaker labour market could lead to further price decreases. For households that have entered the housing market late, the price fall could mean that the value of the property may be lower than the mortgage, and thus has a higher loan to value ratio. Global growth continues, but has been impacted by supply constraints, which, along with other factors, have driven up inflation and interest rates. Higher inflation and interest rates may put pressure on commercial real estate. Reduced securities purchases from central banks may also pose an increased challenge for the real estate market if housing prices continue to fall further. In Sweden, higher interest rates together with the Riksbank scaling back securities purchases has put a halt to the property sector's upswing and resulted in a decrease in housing prices. This has, in turn, caused banks' lending rates and corporate market financing to increase, at a time when companies have become increasingly sensitive to interest rate increases with increased indebtedness. Any of these factors could have a material adverse effect on the Group's business, financial condition and results of operations.

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

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

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

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

The global capital and credit markets have been characterised by volatility and disruption in recent years. As seen during and after the financial crisis in 2008, this resulted in liquidity constraints and other problems at many of the world's largest commercial banks, investment banks and insurance companies, a number of which are the Group's counterparties or customers in the ordinary course of its business. These conditions also resulted in a material reduction in the availability of financing, both for the Group as well as other financial institutions and their customers. If similar events occur, which have similar effects on financial markets, the Group may experience reductions in business activity, increased funding costs, decreased liquidity, decreased asset values, additional credit impairment losses and lower profitability and income. In addition, the Group may be adversely affected by the effects of the recent COVID-19 outbreak, particularly a slowing in global economic activity and significant volatility in financial markets. After the pandemic, the world economy has been hit by new shocks that have also affected the Swedish economy. Russia's war in Ukraine has tangibly affected the geopolitical situation in Europe, including, the Baltic Sea region. The energy crisis, which partly stems from the war, has driven up inflation and interest rates. Any of the foregoing factors could have a material adverse effect on the Group's business, financial condition and results of operations.

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

The Group conducts its businesses subject to ongoing regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies, voluntary codes of practice and interpretations in Sweden and the other countries in which the Group operates. This is particularly the case in the current market environment, which is experiencing increased levels of government and regulatory intervention in the financial sector, which the Group expects to continue for the foreseeable future. Swedbank is subject to supervision by the SFSA and to Swedish regulations regarding, among other things, capital adequacy, liquidity and solvency (see "Regulatory Considerations"). Certain of the Group's subsidiaries and operations are subject to supervision of other local supervisory authorities. In Sweden and elsewhere, there is increased political and regulatory scrutiny of financial and mortgage institutions. Increased regulatory intervention may lead to requests from regulators to carry out wide ranging reviews of past sales and/or sales practices.

The Group's activities are also subject to tax at various rates in the jurisdictions in which it operates, computed in accordance with local legislation and practice. Revisions to tax legislation, including as a result of the so-called "Pillar 2" rules published by the OECD which are designed to ensure large multinationals pay a minimum 15 per cent. tax on profits made in each jurisdiction in which they operate, may have an adverse effect on the Group's financial condition. Also, future changes in regulation, fiscal or other policies are unpredictable and beyond the control of the Group and could

materially adversely affect the Group's business, financial condition and results of operations. For example, on March 9, 2023, the Lithuanian government proposed a new temporary tax ("Solidarity fee") for Lithuanian banks to be applied for financial years 2023 and 2024. If approved, the tax would be calculated based on current year net interest income reduced by the average net interest income according to a specific proposed formula. The tax rate is proposed to be 60 per cent.

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

Other regulations that have been implemented recently, including the GDPR, has resulted in new demands on operational processes, systems and resources. The Group is unable to predict what regulatory changes may be imposed in the future as a result of regulatory initiatives in the EU and elsewhere or by the SFSA and other supervisory authorities. If the Group is required to make additional provisions or to increase its reserves as a result of potential regulatory changes, this could adversely affect the results of operations of the Group. In addition, failure by the Group to comply with regulatory requirements could result in significant penalties.

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

The European Market Infrastructure Regulation 648/2012 ("EMIR") entered into force in all EU member states, including Sweden, on August 16, 2012. EMIR aims to increase stability and transparency in European OTC derivatives markets and includes measures to require the clearing of certain OTC derivatives contracts through central clearing counterparties, reporting of derivatives and risk mitigation techniques (including margin requirements) for uncleared OTC derivative contracts. A number of EMIR implementing measures have already been adopted and EMIR was first amended in 2019 by Regulation (EU) No. 2019/834 (the "EMIR Refit") and following that, in 2020 by Regulation (EU) 2019/2099 (the "EMIR 2.2") but there may be further changes introduced by way of further implementing measures. Prospective investors should be aware that the regulatory changes arising from EMIR could significantly increase the cost for Swedbank of entering into or taking any other action in relation to derivative contracts and may adversely affect the value and return on the Notes.

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

In addition, Title VII of the Dodd Frank Act ("Title VII"), as well as other post financial crisis regulatory reforms in the United States, have increased costs, imposed limitations on activities and resulted in an increased intensity in regulatory enforcement. Title VII established a comprehensive U.S. regulatory regime for derivatives, contracts, including swaps, security based swaps and mixed swaps. As these requirements have been implemented and continue to go into effect, it is clear that these new regulations could adversely affect the value, availability and performance of certain derivatives instruments and may result in additional costs and restrictions with respect to the use of those

instruments. Swedbank's use of derivative instruments may be subject to the clearing, capital, margin, business conduct, reporting and/or recordkeeping requirements of Title VII or other related regulatory reforms, that may result in additional regulatory burdens and related costs and expenses.

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

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

The Group may be adversely affected by governmental responses to market disruptions in the countries in which it operates. As one of the biggest lenders in the Nordics and in order to reduce macro-risks to the broader economy, the Group is required to hold several Pillar 1 and Pillar 2 capital add-ons under the Basel III framework as stipulated by the EU Capital Requirement Regulation ("CRR") and Capital Requirement Directive ("CRD").

The capital and liquidity requirements are in place to address macro and micro prudential risks in the banking system and are communicated through the supervisory review and evaluation process ("SREP") for each individual bank. This process is carried out by the SFSA, the ECB and the national supervisors in Estonia, Latvia and Lithuania and provides a regulatory opinion about the viability of a bank's business model, internal governance arrangements, risks to solvency, capital adequacy, liquidity risks and liquidity adequacy. Future prudential regulations, for example requiring increased capital and liquidity, as discussed in "Regulatory Considerations", may impact the Group's profitability.

2.6 Risks Relating to the Notes

2.6.1 Risks Relating to the Market

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

The Notes may have no established trading market when issued, and one may never develop (for example, the Notes may be allocated to a limited pool of investors). If a market for the Notes does develop, it may not be liquid and may be sensitive to changes in financial markets. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case should the Issuer be in financial distress, which may result in any sale of the Notes having to be at a substantial discount to their principal amount or for Notes that are especially sensitive to interest rate, currency and market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes would generally have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of the Notes.

The Notes have not been, and will not be, registered under the Securities Act or any other applicable securities laws and they are subject to certain restrictions on the resale and other transfer thereof as set forth under "Subscription and Sale and Transfer and Selling Restrictions" below.

2.6.1.2 A lack of liquidity in the secondary market may adversely affect the market value of the Notes.

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

In addition, the ability of the Dealers and the Arranger to make a market in the Notes may be impacted by changes in any regulatory requirements (including as a result of regulatory developments such as the SEC's interpretation of Rule 15c2-11 of the Securities Exchange Act of 1934 and its application to debt securities) applicable to the marketing, holding and trading of, and issuing quotations with respect to, the Notes.

A failure of the market for securities similar to the Notes to recover from these conditions could adversely affect the market value of the Notes.

2.6.1.3 Exchange rates may change and authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls.

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

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

2.6.1.4 Adverse effects may occur if the interest rate payable on assets and liabilities for a fixed period do not coincide.

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

2.6.1.5 Credit ratings may not reflect all risks.

The Senior Preferred Notes are expected to be assigned the following ratings: A+ (Senior Preferred Notes with a maturity of more than one year) and A-1 (Senior Preferred Notes with a maturity of less than one year) by Standard & Poor's; Aa3 (Senior Preferred Notes with a maturity of more than one

year) and P-1 (Senior Preferred Notes with a maturity of less than one year) by Moody's; and AA (Senior Preferred Notes with a maturity of more than one year) and F1+ (Senior Preferred Notes with a maturity of less than one year) by Fitch. The Senior Non-Preferred Notes are expected to be assigned the following ratings: A- by Standard & Poor's; Baa1 by Moody's; and AA- by Fitch. There is no guarantee that such ratings will be assigned or maintained or that such credit ratings reflect the potential impact of all risks related to an investment in the relevant Notes. Rating agencies may change their rating methodologies, which could lead to a change in the credit ratings assigned to the relevant Notes. Accordingly, a credit rating is not a recommendation to buy, sell or hold the relevant Notes and may be revised, suspended or withdrawn by the relevant rating agency at any time. Any such revision, suspension or withdrawal could adversely affect the market value of the relevant Notes.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant non-EEA rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances).

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

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

Certain information with respect to the credit rating agencies and ratings is set out on the front cover of this Base Prospectus and under "Ratings" on page 139 of this Base Prospectus and if a Tranche of Notes is rated such rating will be disclosed in the applicable Final Terms.

2.6.1.6 Judgments based on the U.S. federal securities laws may not be enforceable in Sweden, and English law judgments may not be directly enforceable in Sweden.

The United States and Sweden do not currently have a treaty providing for reciprocal recognition and enforcement of judgments rendered in connection with civil and commercial disputes. As a result, a final judgment for the payment of damages based on civil liability rendered by a U.S. court, whether or not predicated solely upon the federal securities laws of the United States, may not be enforceable in Sweden. If the party in whose favour the final judgment is rendered brings a new suit in a competent Swedish court, the party may submit to the Swedish court the final judgment that has been rendered by the U.S. court. Such judgment will only be regarded by a Swedish court as evidence of the outcome of the dispute to which the judgment relates, and a Swedish court may choose to rehear the dispute *ab initio*.

Furthermore, following the end of the transition period for the withdrawal of the UK from the EU on December 31, 2020, a judgment rendered against the Issuer in the courts of England would not be directly enforceable in Sweden. Instead, proceedings *ab initio* may have to be commenced against the Issuer in the Swedish courts. As a result, there is currently lack of clarity on enforcement of English law judgments against the Issuer in Sweden.

2.6.2 General Risks Relating to Notes

2.6.2.1 *The Terms and Conditions of the Notes and the Trust Deed permit defined majorities to bind all holders of the relevant Notes and permit the Trustee to make certain decisions without the consent of the holders of the Notes.*

The Terms and Conditions of the Notes and the Trust Deed contain provisions for convening meetings of holders (including by audio or video conference call) of the relevant Notes to consider any matter affecting their interests generally. These provisions differ from the customary provisions prevailing in the United States and permit defined majorities to bind all holders of the relevant Notes including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.

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

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

2.6.2.2 *No assurance can be given as to the impact of any possible judicial decision or change of law or administrative practice after the date of issue of the relevant Notes.*

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

2.6.2.3 *It is possible that Bearer Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination.*

In relation to any issue of Bearer Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a Holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in

its account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of such Notes such that its holding amounts to (at least) a Specified Denomination. Further, a Holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a Definitive Bearer Note in respect of such holding (should such Definitive Bearer Notes be printed or issued) and would need to purchase a principal amount of Notes such that its holding amounts to (at least) a Specified Denomination.

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

2.6.2.4 A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes.

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

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

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

2.6.2.5 Differences between the Notes and bank deposits.

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

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

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

Under the terms of the BRRD, any application of the general bail-in tool or non-viability loss absorption is to be in accordance with the hierarchy of claims in normal insolvency proceedings. Accordingly, the

impact of such application on Holders of Notes will depend on their ranking in accordance with such hierarchy at the relevant time, including any priority given to other creditors such as depositors.

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

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

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Holders may be subject to the application of the general bail-in tool and non-viability loss absorption, which may result in such Holders losing some or all of their investment. Such application could also involve modifications to or the disapplication of provisions in the Terms and Conditions of the Notes, including alteration of the principal amount or any interest payable on the Notes, the maturity date or any other dates on which payments may be due, as well as the suspension of payments for a certain period. As a result, the exercise of the bail-in power, any resolution tools or the application of any non-viability loss absorption measure, or any suggestion of such exercise, could materially adversely affect the rights of Holders, the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

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

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

2.6.3.1 The qualification of the Notes as "eligible liabilities" is subject to uncertainty.

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

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

2.6.3.2 The Senior Non-Preferred Notes rank junior to the Issuer's unsubordinated creditors.

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

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

2.6.3.3 If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.

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

2.6.3.4 Reset Notes

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

2.6.3.5 Market values of securities issued at a substantial discount or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities.

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

2.6.3.6 Events of Default.

The only Events of Default in relation to the Notes are set out in Condition 6. For the avoidance of doubt, a "resolution" or "moratorium" under the BRRD will not constitute an Event of Default. In addition, the refusal of the Relevant Regulator to give its consent to any early redemption, purchase, substitution or variation shall not constitute an Event of Default.

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

2.6.3.7 The Issuer may redeem Notes prior to maturity in certain circumstances.

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

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

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

Where the applicable Final Terms specifies that Condition 5(h) is applicable, the Issuer may, at its option, but in each case subject to obtaining the prior consent of the Relevant Regulator (if such consent is required), redeem all (but not some only) of the relevant Notes upon the occurrence of a MREL Disqualification Event at their principal amount or the amount specified in the applicable Final Terms together with accrued interest (if any) thereon.

Where the applicable Final Terms specifies that a Clean-Up Call Option is applicable, the Issuer may, at its option, but in each case subject to obtaining the prior consent of the Relevant Regulator (if such consent is required), redeem all (but not some only) of the relevant Notes if the Clean-Up Call Minimum Percentage (or more) of the principal amount outstanding of a Series of Notes has been redeemed or purchased and subsequently cancelled at their principal amount or the amount specified in the applicable Final Terms together with accrued interest (if any) thereon.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes pursuant to the relevant option (or during any period when it is perceived that the Issuer may be able to redeem Notes pursuant to the relevant option), the market

value of such Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

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

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

The Notes may contain provisions allowing the Issuer to call them after a minimum period as specified in the applicable Final Terms, or even earlier than such specified date (and at any time): (i) upon the occurrence of a Tax Event, a Withholding Tax Event or a MREL Disqualification Event or (ii) if the Clean-Up Call Minimum Percentage (or more) of the principal amount outstanding of a Series of Notes has been redeemed or purchased and subsequently cancelled (in any such case, to the extent applicable to such Notes). If the Issuer considers it favourable to exercise any such call option, the Issuer must first obtain the prior consent of the Relevant Regulator (if such consent is required).

Holders of Notes have no rights to call for the redemption of their Notes and should not invest in Notes in the expectation that any applicable call right will be exercised by the Issuer. In order for such Notes to be redeemed, (if such consent is required) the Relevant Regulator must first, in its discretion, agree to permit such a call, based upon its evaluation of the regulatory capital position of the Issuer and certain other factors at the relevant time. There can be no assurance that the Relevant Regulator will permit such a call or that the Issuer will exercise such a call.

Holders of Notes should be aware that they may be required to bear the financial risks of an investment in such Notes for a period of time beyond any optional redemption date which could affect the market value of an investment in the Notes.

2.6.3.9 In certain circumstances, the Issuer can substitute or vary the terms of the Notes.

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

different for some categories of Holders from the tax and stamp duty consequences for them of holding the Senior Preferred Notes or Senior Non-Preferred Notes prior to such substitution or variation.

2.6.3.10 No limitation on issuing debt

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

2.6.3.11 No right of set-off, netting or counterclaim

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

2.6.3.12 In respect of any Notes issued with a specific use of proceeds, such as "Green Bonds", "Social Bonds" and/or "Sustainability Bonds" there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor

The applicable Final Terms relating to any specific Tranche of Notes may provide that such Notes will be "Green Bonds", "Social Bonds" or "Sustainability Bonds" meaning that it will be the Issuer's intention to apply an amount equal to the net proceeds from an offer of such Notes specifically to finance or refinance, in whole or in part, loans and investments with environmental and/or social benefits, as applicable. Prospective investors should have regard to the information in this Base Prospectus and/or the applicable Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Green Bonds, Social Bonds or Sustainability Bonds together with any other investigation such investor deems necessary. Neither Swedbank nor the Dealers make any assurance or representation as to whether any Eligible Green Assets and/or Eligible Social Assets (each as defined in "Use and Estimated Net Amount of Proceeds") will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses related to the relevant Eligible Green Assets and/or Eligible Social Assets).

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

A basis for the determination of a definition of "sustainable" has been established in the EU with the publication in the Official Journal of the EU on June 22, 2020 of Regulation (EU) 2020/852 of the European Parliament and of the Council on June 18, 2020 (the "Taxonomy Regulation") on the establishment of a framework to facilitate sustainable investment (the "EU Taxonomy"). The EU Taxonomy is subject to further development by way of the implementation by the European Commission through delegated regulations of technical screening criteria for the environmental

objectives set out in the Taxonomy Regulation. On June 4, 2021, the European Commission formally adopted the first delegated act (the "EU Taxonomy Climate Delegated Act") aimed at supporting sustainable investment by making it clearer which economic activities most contribute to meeting the EU's environmental objectives. The EU Taxonomy Climate Delegated Act sets out criteria for economic activities in the sectors that are most relevant for achieving climate neutrality and delivering on climate change adaptation. This includes sectors such as energy, forestry, manufacturing, transport and buildings. Criteria for other environmental objectives will follow in a later delegated act, in line with the mandates in the Taxonomy Regulation. Until all criteria for such objectives have been developed and disclosed it is not known whether any Green Projects will satisfy those criteria. Accordingly, alignment with the EU Taxonomy, once all criteria is established, is not certain.

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

Neither Swedbank nor the Dealers make any assurance or representation as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may or may not be made available in connection with the issue of any Notes, the Swedbank Sustainable Funding Framework generally, or any Eligible Green Assets or Eligible Social Assets to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, each of the Swedbank Sustainable Funding Framework and any such opinion or certification is not, nor shall it be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should it be deemed to be, a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold any such Green Bonds, Social Bonds and/or Sustainability Bonds. Any such opinion or certification is only current as of the date that opinion or certification was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Green Bonds, Social Bonds and/or Sustainability Bonds. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight or attestation or reporting standards or criteria.

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

While it is the intention of the Issuer to apply an amount equal to the net proceeds of any Green Bonds, Social Bonds or Sustainability Bonds in, or substantially in, the manner described in this Base Prospectus and/or the applicable Final Terms, there can be no assurance that the relevant project(s) or use(s) that are related to any Eligible Green Assets or Eligible Social Assets will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally disbursed for the specified Eligible Green Assets or Eligible Social Assets. Nor can there be any assurance that such project(s) or use(s) related to any Eligible Green Assets or Eligible Social Assets will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by the Issuer. None of the Dealers will assess, verify or monitor the application of the amount equal to the net proceeds of any Green Bonds, Social Bonds and/or Sustainability Bonds issued under the Programme. Neither the proceeds of any Green Bonds, Social Bonds and/or Sustainability Bonds nor any amount equal to such proceeds will be segregated by the Issuer from its capital and other assets, and there will be no direct or contractual link between any Green Bonds, Social Bonds or Sustainability Bonds and any Eligible Green Assets and/or Eligible Social Assets (or any other environmental, social, sustainability or similar targets set by the Issuer) and consequently neither payments of principal and interest (as the case may be) on, nor an investor's right to accelerate repayment of, such Green Bonds, Social Bonds or Sustainability Bonds shall depend on the application of an amount equal to the net proceeds of any such issue of Green Bonds, Social Bonds or Sustainability Bonds, the performance of the relevant Eligible Green Assets and/or Eligible Social Assets or the performance of the Issuer in respect of any such environmental, social, sustainability or similar targets.

None of (a) any such event or failure to apply an amount equal to the net proceeds of any issue of Green Bonds, Social Bonds or Sustainability Bonds for any Eligible Green Assets and/or Eligible Social Assets as aforesaid; (b) the withdrawal of any such opinion or certification; (c) any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters; (d) failure to obtain and publish any reports, assessments, opinions and certifications; (e) any such Green Bonds, Social Bonds or Sustainability Bonds no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid; (f) the fact that the duration or maturity, if applicable, of any project(s) or uses(s) related to any Eligible Green Assets or Eligible Social Assets may not match the maturity of any Green Bonds, Social Bonds and/or Sustainability Bonds; (g) the failure by the Issuer to meet any environmental, social or sustainability targets; and/or (h) failure of the Eligible Green Assets or Eligible Social Assets, as applicable, to perform as expected will (i) constitute an Event of Default under the relevant Green Bonds, Social Bonds or Sustainability Bonds; (ii) create an obligation for the Issuer to redeem the relevant Green Bonds, Social Bonds or Sustainability Bonds; (iii) create an option for the Holders to redeem the relevant Green Bonds, Social Bonds or Sustainability Bonds; (iv) compromise the ability of the relevant Green Bonds, Social Bonds or Sustainability Bonds to qualify as MREL Eligible Liabilities, or (v) create an incentive to redeem.

Any such event or failure to apply an amount equal to the net proceeds of any issue of Green Bonds, Social Bonds and/or Sustainability Bonds to finance or refinance any Eligible Green Assets and/or Eligible Social Assets, as applicable, as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters and/or any such Green Bonds, Social Bonds and/or Sustainability Bonds no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Green Bonds, Social Bonds or Sustainability Bonds and also potentially the value of any other Green Bonds, Social Bonds and/or Sustainability Bonds which are intended to finance Eligible Green Assets and/or Eligible Social Assets and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

2.6.3.13 *Notes issued with a specific use of proceeds, such as "Green Bonds", "Social Bonds" and/or "Sustainability Bonds" may also be subject to the resolution tools granted to the competent authority*

under the BRRD in circumstances where the Issuer fails or is likely to fail and such labelling will not affect their regulatory treatment or status

Investors should be aware that Green Bonds, Social Bonds and Sustainability Bonds may also be subject to the resolution tools granted to the competent authority under the BRRD in circumstances where the Issuer fails or is likely to fail. Please also refer to the risk factor "Risk Factors – General Risks Relating to Notes - The Notes may be subject to write-down or conversion into ordinary shares of Swedbank" and "Regulatory Considerations". In particular, Green Bonds, Social Bonds and Sustainability Bonds will be subject to the exercise of the general bail-in tool to the same extent and with the same ranking as any other Notes which are not Green Bonds, Social Bonds or Sustainability Bonds. Further, any Green Bonds, Social Bonds and Sustainability Bonds, as with other Notes, will be fully subject to the application of CRR eligibility criteria and BRRD requirements and, as such, proceeds from any such Green Bonds, Social Bonds or Sustainability Bonds will cover all losses in the balance sheet of the Issuer regardless of their "green", "social" and/or "sustainability" label, as applicable, and whether such losses arise from "green", "social", "sustainability" or other assets.

Additionally, their labelling as "Green Bonds", "Social Bonds" or "Sustainability Bonds" will not (i) affect the regulatory treatment of such Notes as MREL Eligible Liabilities or (ii) have any impact on their status as indicated in Condition 3(a) or Condition 3(b), as the case may be.

2.6.3.14 There are risks that certain reference rates may be administered differently or discontinued in the future which may adversely affect the trading market for, value of and return on, Floating Rate Notes or Reset Notes based on such reference rates.

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

EU and UK Benchmarks Regulation

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

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on (i) any Floating Rate Note which specifies Screen Rate Determination in the applicable Final Terms as the manner in which the Rate of Interest is to be determined or (ii) any Reset Note, in each case where the applicable Original Reference Rate is deemed to be a benchmark, particularly if the methodology or other terms of such benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the benchmark. More broadly, any of

the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to such benchmark; (ii) trigger changes in the rules or methodologies used in the benchmarks or (iii) lead to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of and return on any Floating Rate Notes or Reset Notes linked to a benchmark.

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

Discontinuation of benchmarks

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

The potential elimination of benchmarks, such as EURIBOR and other reference rates which are deemed to be "benchmarks", as has happened with LIBOR, the establishment of alternative reference rates or changes in the manner of administration of a benchmark could cause disruption and could also require adjustments to the terms of benchmark-linked securities and may result in other consequences, such as interest payments that are lower than, or that do not otherwise correlate over time with, the payments that would have been made on those securities if the relevant benchmark was available in its current form.

Benchmark Discontinuation – Independent Adviser

If "Benchmark Discontinuation - Independent Adviser" is specified to be applicable in the applicable Final Terms for a Floating Rate Note or Reset Note, in the event that the Issuer determines a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate. If any such Successor Rate or Alternative Rate is determined in such manner and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that amendments to the Terms and Conditions of the Notes and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate and/or Alternative Rate or any Adjustment Spread, then the Issuer shall, subject to giving notice thereof, without any requirement for the consent or approval of Holders, vary the Terms and Conditions of the Notes and/or the Trust Deed to give effect to such amendments with effect from the date specified in such notice.

If a Successor Rate or Alternative Rate is determined by the Issuer, the Terms and Conditions of the Notes also provide that an Adjustment Spread may be determined by the Issuer to be applied to such Successor Rate or Alternative Rate, as the case may be. The Adjustment Spread is (i) the spread,

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

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

Benchmark Discontinuation – ARRC SOFR

If (i) the Specified Currency is U.S. Dollars and the Reference Rate is specified as SOFR Index in the applicable Final Terms and (ii) "Benchmark Discontinuation – ARRC SOFR" is also specified to be applicable in the applicable Final Terms for a Floating Rate Note, and the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates as described in Condition 4(f). After such an event, interest on the relevant Notes will no longer be determined by reference to the Benchmark, but instead will be determined by reference to the applicable Benchmark Replacement.

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

Benchmark Discontinuation – general

Notwithstanding the provisions of Condition 4(e) or Condition 4(f), as the case may be, no Successor Rate, Alternative Rate or Adjustment Spread or, as the case may be, Benchmark Replacement will be adopted nor will any other amendments to the terms and conditions of the relevant Notes be made to effect any Benchmark Amendments or Benchmark Replacement Conforming Changes (as applicable) if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to (a) prejudice the qualification of the relevant Notes as MREL Eligible Liabilities or (b) result in the Relevant Regulator treating the next Interest Payment Date as the effective maturity of the relevant Notes.

Any of the above changes or any other consequential changes to benchmarks as a result of EU, UK, or other international, national, or other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes could have a material adverse effect on the trading market for, liquidity of, value of and return on any such affected Floating Rate Notes or Reset Notes.

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

The interest payable on any Floating Rate Notes for which the Reference Rate is specified as SOFR Index in the applicable Final Terms will be based on Compounded SOFR, which is calculated using the SOFR Index published by the Federal Reserve Bank of New York ("FRBNY") according to the specific formula described under Condition 4(c)(ii)(B), not the SOFR rate published on or in respect of a particular date during any Interest Accrual Period or an arithmetic average of SOFR rates during such period. Since SOFR is a relatively new market rate, the relevant Notes may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. For this and other reasons, the interest rate on any such Notes during any Interest Accrual Period will not necessarily be the same as the interest rate on other SOFR-linked investments that use an alternative basis to determine the applicable interest rate. Further, if the SOFR rate in respect of a particular date during an Interest Accrual Period is negative, its contribution to the SOFR Index will be less than one, resulting in a reduction to Compounded SOFR used to calculate the interest payable on the relevant Notes on the Interest Payment Date for such Interest Accrual Period. Market terms for debt securities indexed to SOFR, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of any Floating Rate Notes linked to or that reference a SOFR rate might be lower than those of later-issued indexed debt securities as a result. In addition, the market or a significant part thereof may adopt an application of SOFR that differs significantly from that set out in the Conditions. The Issuer may also in the future issue Floating Rate Notes referencing SOFR that differ materially in terms of interest determination when compared with any previous SOFR referenced Floating Rate Notes issued by it under this Base Prospectus. The development of Compounded SOFR and SOFR Index as interest reference rates for the debt capital markets, as well as continued development of SOFR based rates for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SOFR referenced Floating Rate Notes issued under this Base Prospectus from time to time.

Very limited market precedent exists for securities that use SOFR as the interest rate and the method for calculating an interest rate based upon SOFR in those precedents varies. Investors should be aware that the market continues to develop in relation to risk free rates – such as SOFR - as reference rates in the capital markets. In August 2019 and May 2020, FRBNY's Alternative Reference Rates Committee ("ARRC") released model interest rate conventions for SOFR-linked securities (including for the calculation of Compounded SOFR); however, there currently is no uniform market convention with respect to the calculation of Compounded SOFR or SOFR generally. In addition, the FRBNY only began publishing the SOFR Index on March 2, 2020. Accordingly, the use of the SOFR Index or the

specific formula for the Compounded SOFR rate used in any relevant Notes may not be widely adopted by other market participants, if at all. If the market adopts a different calculation method that would likely adversely affect the market value of any such Notes. It may be difficult for investors in Floating Rate Notes that reference Compounded SOFR or SOFR Index to estimate reliably the amount of interest which will be payable on such Floating Rate Notes, and some investors may be unable or unwilling to trade such Floating Rate Notes without changes to their IT systems, both of which could adversely impact the liquidity and trading price of such Floating Rate Notes.

Further, if SOFR does not prove to be widely used in securities like the Floating Rate Notes, the trading price of such Floating Rate Notes linked to or which reference a SOFR rate may be lower than those of Floating Rate Notes linked to indices that are more widely used. Investors in such Floating Rate Notes may not be able to sell such Floating Rate Notes at all or may not be able to sell such Floating Rate Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market and may consequently suffer from increased pricing volatility and market risk. Investors should note that interest on Floating Rate Notes linked to or which reference a SOFR rate will be calculated and paid in accordance with the detailed provisions of the Conditions and the applicable Final Terms. In particular, where the Interest Determination Date in respect of an Interest Accrual Period falls before the end of that Interest Accrual Period, the interest payable in respect of that Interest Accrual Period will not reflect any increase (or decrease) in the underlying daily SOFR rate after that Interest Determination Date. Investors should consider these matters when making their investment decision with respect to any Floating Rate Notes linked to or which reference a SOFR rate.

If the manner in which the SOFR Index is calculated, including the manner in which SOFR is calculated, is changed, that change may result in a reduction in the amount of interest payable on any relevant Notes and the trading prices of such Notes. In addition, the FRBNY may withdraw, modify or amend the published SOFR Index or SOFR data in its sole discretion and without notice. See "Risk Factors – Risks Relating to the Structure of a Particular Issue of Notes – There are risks that certain reference rates may be administered differently or discontinued in the future which may adversely affect the trading market for, value of and return on, Floating Rate Notes or Reset Notes based on such reference rates – Benchmark Discontinuation – ARRC SOFR" for further information.

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

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

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

The level of Compounded SOFR applicable to a particular Interest Accrual Period and, therefore, the SOFR Index and amount of interest payable with respect to such Interest Accrual Period will be

determined on the Interest Determination Date (as defined in Condition 4(c)(ii)(B)) for such Interest Accrual Period.

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

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

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

In addition, the manner of adoption or application of SOFR reference rates in the debt capital markets may differ materially compared with the application and adoption of SOFR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SOFR reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Floating Rate Notes referencing SOFR.

3. Presentation of Certain Financial and other Information

For details of the financial information incorporated by reference into this Base Prospectus, see "Information Incorporated by Reference" below.

For the convenience of investors, certain selected financial information has also been included in this Base Prospectus. See "Selected Financial Information" below. This information is not complete and should be read together with the financial statements incorporated by reference into this Base Prospectus.

The following adoption of accounting pronouncements and changes are applied in the financial reports during 2022.

Changes in IFRS and Swedish regulations

Amended IFRS, IFRS-interpretations and Swedish regulations which have been adopted during 2022 did not have a significant impact on the Group's financial position, results, cash flows or disclosures.

Definition of default and credit-impaired assets

The Group's IFRS 9 definitions of default and credit-impaired assets are aligned to the Group's regulatory definition of default, as this is what is used for risk management purposes. During Q3 2022, the Group implemented the new regulatory definition of default according to the EBA guidelines on the application of the definition of default under Article 178 of Regulation (EU) No 575/2013. According to the new definition, defaults for sovereigns and financial institutions are no longer solely triggered based on manual decisions. Consequently, Swedban now applies the 90 days past due criterion for these borrowers. This consequential amendment is implemented prospectively and had no impact on the stage allocation of these borrowers.

New Swedish bank tax and changed presentation of resolution fees

A new Swedish bank tax (Risk tax on credit institutions) was introduced from January 1, 2022 and is presented on a new row in the income statement. From 2022 the Group also presents resolution fees on this row, which is named Swedish bank tax and resolution fees. Previously the resolution fees have been included in Interest expense within Net interest income. Comparative figures have been restated, see note G57 in the audited consolidated financial statements of the Group as of and for the year ended December 31, 2022.

The financial information set out herein has been extracted without material adjustment from the Issuer's annual audited consolidated financial statements as of, and for, the years ended December 31, 2022, 2021 and 2020, including the notes thereto (the "Financial Statements"), except for the information in "Selected Statistical and Other Information" which is derived from the financial records of the Issuer. The Financial Statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and interpretation of these standards as adopted by the EU. The consolidated financial statements also apply recommendation RFR 1, Complementary accounting rules for groups, issued by the Swedish Financial Reporting Board, the pronouncements of the Swedish Financial Reporting Board, certain complementary rules in the Annual Accounts Act for Credit Institutions and Securities Companies and the regulations and general advice of the Swedish Financial Supervisory Authority, FFFS 2008:25. IFRS differs in certain respects from generally accepted accounting principles applied in the United States. The Issuer prepares its financial statements in Swedish Krona in accordance with the requirements of Swedish statutory accounting and tax legislation.

Certain definitions, presentation of information

All references in this Base Prospectus to "U.S. dollars", "U.S.\$", "USD" and "\$" refer to United States dollars, references to "SEK" and "Krona" refer to Swedish Krona, references to "Pounds Sterling", "GBP" and "£" refer

to the lawful currency of the United Kingdom, references to "Japanese Yen" and "JPY" refer to the lawful currency of Japan 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. Unless otherwise noted, all translations of SEK amounts into U.S. dollars for the year ended December 31, 2022 have been at the rate of SEK 10.3928 = U.S.\$1.00, being the representative market rate prevailing in Stockholm on December 31, 2022, as reported by Bloomberg. No representation is made that SEK or U.S. dollar amounts referred to herein have been, could have been or could be, converted into U.S. dollars or SEK, as the case may be, at this rate, at any particular rate, or at all.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetical aggregation of the figures which precede them.

In this Base Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

In this Base Prospectus, references to "Sweden" are to the Kingdom of Sweden and references to the "Government" are to the Swedish government.

In this Base Prospectus, references to websites or uniform resource locators ("URLs") are inactive textual references and are included for information purposes only. The contents of any such website or URL shall not form part of, or be deemed to be incorporated into, this Base Prospectus.

This Base Prospectus includes certain statistics and market share data. The Issuer believes that the statistics and market share data included in this Base Prospectus are useful in helping investors to understand the markets in which the Issuer operates. However, to the extent indicated, these figures are sourced from third party information (for instance, for market sizing) that has not been independently verified. This Base Prospectus also contains other 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.

In making an investment decision, investors must rely on their own analysis of the Issuer and the terms of the Notes being offered, including the merits and risks involved. The Notes have not been approved or disapproved by the SEC or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Base Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Base Prospectus. Any representation to the contrary is unlawful.

None of the Issuer, the Dealers and the Trustee makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

4. Information Incorporated by Reference

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

- (1) the audited annual consolidated financial statements of the Issuer for each of the financial years ended December 31, 2022 (which can be viewed online at <https://internetbank.swedbank.se/ConditionsEarchive/download?bankid=1111&id=WEBDOC-PRODE141563695>), December 31, 2021 (which can be viewed online at <https://internetbank.swedbank.se/ConditionsEarchive/download?bankid=1111&id=WEBDOC-PRODE109370778>) and December 31, 2020 (which can be viewed online at <https://internetbank.swedbank.se/ConditionsEarchive/download?bankid=1111&id=WEBDOC-PRODE78501331>) comprising the information set out at the following pages of the Group's 'Annual Report 2022', 'Annual Report 2021' and 'Annual Report 2020':

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Consolidated Financial Statements and Notes	pages 65-161	pages 65-160	pages 58-157
Auditor's Report	pages 241- 246	pages 239- 243	pages 238- 242

- (2) the following sections from previous prospectuses relating to the Programme: (i) the section "Terms and Conditions of the Notes" (pages 51-100 inclusive) set out in the Base Prospectus dated April 6, 2020 (which can be viewed online at <https://internetbank.swedbank.se/ConditionsEarchive/download?bankid=1111&id=WEBDOC-PRODE57912631>) as supplemented by section 4 of the supplement to the Base Prospectus dated May 15, 2020 (which can be viewed online at <https://internetbank.swedbank.se/ConditionsEarchive/download?bankid=1111&id=WEBDOC-PRODE61017017>); (ii) the section "Terms and Conditions of the Notes" (pages 60-116 inclusive) set out in the Base Prospectus dated March 5, 2021 (which can be viewed online at <https://internetbank.swedbank.se/ConditionsEarchive/download?bankid=1111&id=WEBDOC-PRODE78888491>); and (iii) the section "Terms and Conditions of the Notes" (pages 69-145 inclusive) set out in the Base Prospectus dated March 7, 2022 (which can be viewed online at <https://internetbank.swedbank.se/ConditionsEarchive/download?bankid=1111&id=WEBDOC-PRODE117915307>).

Following the publication of this Base Prospectus, a supplement may be prepared by the Issuer and approved by the Central Bank in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any information incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

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

Any non-incorporated parts of a document referred to herein (which, for the avoidance of doubt, means any parts not listed in the cross-reference list above) are either not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

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

5. Form of the Notes

The Notes of each Series will be issued in registered form or in bearer form, as specified in the applicable Final Terms.

5.1 Registered Notes

In the case of Registered Notes, the applicable Final Terms will specify that the Notes will be issued in the form of Registered Global Notes held in specified clearing systems, as described below, or in the form of Definitive Registered Notes.

5.1.1 Form of Registered Global Notes

If Notes are to be issued in the form of Registered Global Notes, the Issuer will deliver a Restricted Registered Global Note and/or an Unrestricted Registered Global Note, as specified in the applicable Final Terms.

5.1.2 Restricted and Unrestricted Registered Global Notes

Registered Notes may only be offered and sold within the United States or to U.S. persons in transactions exempt from the registration requirements of the Securities Act to QIBs. The Registered Notes of each Tranche sold to QIBs will be represented by a Restricted Registered Global Note which will be deposited on or about the issue date of such Tranche either (i) with a custodian for, and registered in the name of a nominee of, DTC or (ii) with a common safekeeper or common depository, as the case may be, for Euroclear and Clearstream, Luxembourg, and registered in the name of a nominee of a common depository for Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms.

The Registered Notes of each Tranche offered and sold to persons other than U.S. persons in reliance on Regulation S under the Securities Act will be represented by an Unrestricted Registered Global Note which will be deposited on or about the issue date of such Tranche either (i) with a custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream, Luxembourg for the accounts of their respective participants or (ii) with a common safekeeper or common depository, as the case may be, for Euroclear and Clearstream, Luxembourg, and registered in the name of a nominee of a common depository for Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms. A beneficial interest in the Unrestricted Registered Global Note may at all times be held only through Euroclear and Clearstream, Luxembourg.

In the circumstances described below under "Exchange and Transfer of Registered Global Notes for Definitive Registered Notes", interests in any Unrestricted Registered Global Note will be exchangeable for unrestricted Definitive Registered Notes ("Unrestricted Definitive Registered Notes") and interests in any Restricted Registered Global Note will be exchangeable for restricted Definitive Registered Notes ("Restricted Definitive Registered Notes"). Restricted Registered Global Notes (and any Restricted Definitive Registered 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 "Subscription and Sale and Transfer and Selling Restrictions—Transfer Restrictions".

5.1.3 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 7 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.

5.1.3.1 Exchange and Transfer of Registered Global Notes for Definitive Registered Notes

Beneficial interests in a Restricted Registered Global Note will be exchangeable, in whole but not in part, for Restricted Definitive Registered Notes; (i) in the case of Notes registered in the name of a nominee of DTC, 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) in the case of Notes registered in the name of a nominee for a common depository or common safekeeper for Euroclear and Clearstream, Luxembourg, 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 (iii) if an Event of Default as set out in Condition 6 occurs and is continuing; 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.

Beneficial interests in an Unrestricted Registered Global Note will be exchangeable, in whole but not in part, for Unrestricted Definitive Registered Notes: (i) in the case of Notes registered in the name of a nominee of DTC, 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 Unrestricted 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) in the case of Notes registered in the name of a nominee for a common depository or common safekeeper for Euroclear and Clearstream, Luxembourg, 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 (iii) if an Event of Default as set out in Condition 6 occurs and is continuing; 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, (i) 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 Definitive Registered Notes, as the case may be, and (ii) the Issuer will, at the cost of the Issuer, cause sufficient Unrestricted Definitive Registered Notes and/or Restricted Definitive Registered 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:

- (a) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver the relevant Definitive Registered Note; and
- (b) 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 Definitive Registered 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 "Subscription and Sale and Transfer and Selling Restrictions—Transfer Restrictions").

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

Definitive Registered Notes issued pursuant to and in reliance on Rule 144A will be issued only in minimum denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof (or the approximate equivalents in the applicable Specified Currency).

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 Definitive Registered 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 Definitive Registered Notes issued in exchange for beneficial interests in a Restricted Registered Global Note bearing the legend referred to under "Subscription and Sale and Transfer and Selling Restrictions—Transfer Restrictions", or upon specific request for removal of the legend on a Restricted Definitive Registered Note, the Registrar shall deliver only Restricted Definitive Registered Notes that bear such legend, or will refuse to remove such legend, as the case may be, unless either (i) such transfer, exchange or replacement occurs or such request is made one year or more after the later of (1) the original issue date of the Notes of such Tranche or (2) the last date on which the Issuer or any affiliate (as defined under the section "Terms and Conditions of the Notes") of the Issuer as notified to the Registrar by the Issuer was the beneficial owner of such Note (or any predecessor of such Note) or (ii) 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 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 Definitive Registered Notes for a period of 15 calendar days preceding the due date for any payment in respect of the Notes.

5.1.4 Payments on Registered Notes

Payments of principal on the Registered Notes will be made on the relevant payment date 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. Payments of interest on the Registered Notes will be made on the relevant payment date to the persons in whose name such Notes are registered on the Record Date (as defined in Condition 8(b)) immediately preceding such payment date.

Payments of the principal of, and interest (if any) on, the Registered Global Notes will be made to the person shown on the register as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent and the Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

5.2 **Bearer Notes**

Each Tranche of Bearer Notes will initially be represented by a Temporary Global Note without Coupons or Talons (each as defined in "Terms and Conditions of the Notes") which will (i) if the Temporary Global Notes are intended to be issued in 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 for Euroclear and Clearstream, Luxembourg; and (ii) if the Temporary Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary for Euroclear and Clearstream, Luxembourg.

Interests in the Temporary Global Note will be exchanged either for interests in a Permanent Global Note or, where specified in the applicable Final Terms (subject to such notice period as is specified in the Final Terms), for Definitive Bearer Notes on or after the date (the "Exchange Date") which is 40 days after the completion of the distribution of the relevant Tranche, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant lead manager (in the case of a syndicated issue). Such exchange will be made only upon delivery of written certification to Euroclear and/or Clearstream, Luxembourg, as the case may be, to the effect that the beneficial owner of such Notes is not a U.S. person or other person who has purchased such Notes for resale to, or on behalf of, U.S. persons and Euroclear and/or Clearstream, Luxembourg, as the case may be, has given a like certification (based on the certification it has received) to the Principal Paying Agent.

If an interest or principal payment date for any Notes occurs while such Notes are represented by a Temporary Global Note, the related interest or principal payment will be made only to the extent that certification of non-U.S. beneficial ownership has been received as described in the last sentence of the immediately preceding paragraph unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest or principal due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note is improperly withheld or refused. Payments of principal or interest (if any) on a Permanent Global Note will be made through Euroclear or Clearstream, Luxembourg (against presentation or surrender, as the case may be, of the Permanent Bearer Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any further requirement for certification. Pursuant to the Agency Agreement, the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued, the Notes of such Tranche shall be assigned a common code and ISIN by Euroclear and Clearstream, Luxembourg which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least expiry of the Distribution Compliance Period applicable to the Notes of such Tranche.

Interests in a Permanent Global Note will be exchangeable, in whole but not in part, (free of charge to the Holder) for Definitive Bearer Notes as indicated in the applicable Final Terms 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) only upon the occurrence of an Exchange Event as described therein, upon notice from the bearer to the Principal Paying Agent or, upon the occurrence of an Exchange Event described in (iii) below, from the Issuer to the Principal Paying Agent. "Exchange Event" means (i) either of Euroclear 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 the Holders in accordance with Condition 15 if an Exchange Event occurs. Any such exchange following the occurrence of an Exchange Event shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The exchange upon notice option described in paragraph (A) above should not be expressed to be applicable if the relevant Notes have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount. Furthermore, Notes should not be issued which have such denominations if such Notes are to be represented on issue by a Temporary Global Note exchangeable for Definitive Bearer Notes.

The following legend will appear on all Bearer Notes (other than Temporary Global Notes), which have an original maturity of more than 1 year and on all Coupons and Talons relating to such Bearer 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 holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes or Coupons or Talons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes or Coupons or Talons.

Notes which are represented by a Bearer Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg.

5.3 **General**

Any reference herein to DTC and/or Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer and the Principal Paying Agent.

The Issuer has entered into an agreement with Euroclear and Clearstream, Luxembourg (together the "ICSDs") in respect of any Notes issued in NGN form or 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.

Where the Global Notes issued in respect of any Tranche are in NGN form or are intended to be held under the NSS (as specified in the applicable Final Terms), the applicable Final Terms will also indicate whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon the ECB being satisfied that the Eurosystem eligibility criteria have been met. Furthermore, any indication that the Global Notes are not intended to be so held may be

the case at the date of the applicable Final Terms. However, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with one of the ICSDs as common safekeeper and, in the case of Registered Notes, registered in the name of a nominee of one of the ICSDs acting as common safekeeper. Similarly, this would not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

The common safekeeper for NGNs or any Notes intended to be held under the NSS will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

6. Terms and Conditions of the Notes

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

The Notes are constituted by a Trust Deed dated September 3, 2012 (as supplemented and/or amended from time to time, the "Trust Deed") and made between Swedbank AB (publ) (the "Issuer", which term, for the avoidance of doubt, shall include its legal successors following universal succession (Sw: *universalsuccession*), by operation of law applicable in Sweden, upon consolidation, amalgamation, merger or any other similar occurrence) and BNY Mellon Corporate Trustee Services Limited (the "Trustee", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Holders (as described below). These Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes and any Coupons relating to them. Copies of the Trust Deed and of an amended and restated Agency Agreement (as supplemented or amended from time to time, the "Agency Agreement") dated March 5, 2021 and made between the Issuer, the Trustee, Citibank, N.A., London Branch in its capacities as principal paying agent (the "Principal Paying Agent", which expression shall include any successor to Citibank, N.A., London Branch in its capacity as such), as paying agent, as transfer agent and as exchange agent (the "Exchange Agent", which expression shall include any successor to Citibank, N.A., London Branch in its capacity as such), Citigroup Global Markets Europe AG in its capacity as registrar (the "Registrar", which expression shall include any successor to Citigroup Global Markets Europe AG in its capacity as such) and The Bank of New York Mellon SA/NV, Luxembourg Branch as paying agent (a "Paying Agent" and, together with the Principal Paying Agent and any substitute or additional paying agents appointed in accordance with the Agency Agreement, the "Paying Agents") and as transfer agent (a "Transfer Agent" and, together with the Principal Paying Agent and any substitute or additional transfer agents appointed in accordance with the Agency Agreement, the "Transfer Agents"), are available for inspection at the specified office of the Trustee (presently at The Bank of New York Mellon, One Canada Square, London E14 5AL) and each of the Paying Agents and the Registrar. All persons from time to time entitled to the benefit of obligations under any Notes shall be deemed to have notice of and to be bound by all of the provisions of the Trust Deed insofar as they relate to the Notes. References herein to "Agents" shall, where the context so requires, be to the Paying Agents, the Registrar, the Transfer Agents and the Exchange Agent. References herein to the Paying Agents and the Transfer Agents shall include any additional Paying Agent(s) and/or Transfer Agent(s) specified in the applicable Final Terms (as defined below).

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 complete these Terms and Conditions (the "Conditions"). References to the "applicable Final Terms" are to Part A of the Final Terms (or the relevant provisions thereof). Copies of the Final Terms in respect of Notes to be listed on the official list of the Irish Stock Exchange plc trading as Euronext Dublin ("Euronext Dublin") and admitted to trading on the regulated market of Euronext Dublin will be published on the website of Euronext Dublin at <https://live.euronext.com>. If the Notes are to be admitted to trading on any other regulated market in the European Economic Area, the applicable Final Terms will be published in accordance with the rules and regulations of the relevant listing authority or stock exchange and otherwise in accordance with Regulation (EU) 2017/1129 (the "Prospectus Regulation"). Copies of the Final Terms will also be available, upon request, free of charge, at the registered office of the Issuer and the specified office of the Principal Paying Agent and, in relation to a Tranche of Registered Notes, the Registrar.

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

1. Form and Denomination

(a) Form

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

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

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

(b) Notes in Global Form and Exchanges Thereof

(i) Registered Notes will be represented upon issue by Notes in the following form:

(A) Notes initially sold within the United States in reliance on Rule 144A under the United States Securities Act of 1933, as amended (the "Securities Act") will be represented by beneficial interests in a restricted registered global Note (a "Restricted Registered Global Note") in substantially the form (subject to amendment and completion) set out in the Trust Deed, which will be deposited either (i) with a custodian for The Depository Trust Company ("DTC") and registered in the name of Cede & Co. as nominee of DTC or (ii) with a common depository or a common safekeeper, as the case may be, for, and in respect of, interests held through Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg") and registered in the name of a nominee of a common depository for Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms; and

(B) Notes initially sold to persons other than U.S. persons in reliance on Regulation S under the Securities Act will be represented by beneficial interests in an unrestricted registered global Note (an "Unrestricted Registered Global Note") in substantially the form (subject to amendment and completion) set out in the Trust Deed, which will be deposited either (i) with

a custodian for DTC and registered in the name of Cede & Co. as nominee of DTC for the accounts of Euroclear and Clearstream, Luxembourg for the accounts of their respective participants, or (ii) with a common depository or a common safekeeper, as the case may be, for, and in respect of, interests held through Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of a common depository for Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms.

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

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

- (ii) 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 a beneficial interest in the relevant DTC Note will (unless otherwise required by applicable law or regulatory requirement) be shown on, and transfers of such beneficial interest may be effected only through, records maintained by (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).
- (iii) Bearer Notes will be represented upon issue by a temporary global Note (a "Temporary Global Note") in substantially the form (subject to amendment and completion) set out in the Trust Deed. On or after the date (the "Exchange Date") which is 40 days after the completion of the distribution of the Notes of the relevant Tranche and provided certification as to the beneficial ownership thereof as required by United States Treasury regulations has been received, interests in the Temporary Global Note may be exchanged for either (as 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"), serially numbered and in substantially the form (subject to amendment and completion) set out in the Trust Deed.
- (iv) In the case of Bearer Notes, if any date on which a payment of interest is due on the Notes of a Tranche occurs whilst any of the Notes of that Tranche are represented by the Temporary Global Note, if such payment falls due before the Exchange Date, the related interest payment will be made on the Temporary Global Note upon and to the extent of delivery to or to the order of any of the Paying

Agents outside the United States of a certificate or certificates of non-U.S. beneficial ownership issued by Euroclear or Clearstream, Luxembourg and dated not earlier than the relevant interest payment date.

Payments of principal or interest (if any) on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg without any requirement for certification. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

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

"Exchange Event" means (i) either of Euroclear 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 the Holders in accordance with Condition 15 if an Exchange Event occurs. Any such exchange following the occurrence of an Exchange Event shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

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

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(J) AND 1287(A) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States persons, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes or Coupons or Talons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes or Coupons or Talons.

- (vii) Interest-bearing Definitive Bearer Notes will have attached thereto at the time of their initial delivery coupons ("Coupons") and, if applicable, talons for further Coupons ("Talons"), presentation of which will be a prerequisite to the payment of interest in certain circumstances specified below. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Bearer Notes in global form do not have Coupons or Talons attached on issue.

(c) ***Surrender of Global Notes in Exchange for Definitive Notes***

In order to exchange interests in a global Note for definitive Notes, a Holder must surrender or, as the case may be, present the relevant Registered Global Note at the specified office of the Registrar or its agent 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, together, in each case, with a request in writing specifying the principal amount of such Registered Global Note or, as the case may be, Temporary Global Note or Permanent Global Note to be exchanged.

2. Title

(a) ***Title to Registered Notes***

Title to Registered Notes passes by registration in the register which is kept by the Registrar. References herein to the "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.

(b) ***Title to Bearer Notes***

Title to Bearer Notes and Coupons passes by delivery and references herein to the "Holders" of Bearer Notes and Coupons are to the bearers of such Bearer Notes and Coupons.

(c) ***Ownership***

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

(d) ***Transfer of Registered Notes in Definitive Form***

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

(e) ***Delivery of New Registered Notes in Definitive Form***

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

2(e), "business day" means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located.

(f) ***Charges on Transfer***

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

(g) ***Private Placement Legend***

Upon the transfer, exchange or replacement of Restricted Registered Global Notes or Restricted Definitive Registered Notes of any Tranche bearing the private placement legend (the "Rule 144A Legend") set forth in the form of Restricted Registered Global Note or Restricted Definitive Registered Note, as the case may be, or upon specific request for removal of the Rule 144A Legend, the Registrar shall deliver only Registered Notes of such Tranche that also bear the Rule 144A Legend or will refuse to remove the Rule 144A Legend, as the case may be, unless either (i) such transfer, exchange or replacement occurs, or such request is made, one year or more after the later of (1) the original issue date of the Notes of such Tranche or (2) the last date on which the Issuer or any affiliate (as defined in Rule 405 under the Securities Act) of the Issuer as notified to the Registrar by the Issuer was the beneficial owner of such Note (or any predecessor of such Note) or (ii) 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 ensure compliance with the provisions of such laws.

(h) ***Transfers of Registered Notes in Global Form***

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

3. Status

(a) ***Status – Senior Preferred Notes***

(i) This Condition 3(a) is applicable in relation to Notes specified in the applicable Final Terms as being Senior Preferred Notes.

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

of the voluntary or involuntary liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer, rank:

- (A) (subject to such mandatory exceptions as are from time to time applicable under Swedish law) at least *pari passu* with all other unsecured indebtedness of the Issuer from time to time outstanding; and
- (B) senior to any Senior Non-Preferred Liabilities.

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

- (i) This Condition 3(b) is applicable in relation to Notes specified in the applicable Final Terms as being Senior Non-Preferred Notes.
- (ii) The Senior Non-Preferred Notes constitute unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves. The rights of the Holder of any Senior Non-Preferred Note in respect of or arising from the Senior Non-Preferred Notes (including any damages awarded for breach of any obligations under these Conditions, if any are payable) shall, in the event of the voluntary or involuntary liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer, have Senior Non-Preferred Ranking, meaning that they rank:
 - (A) *pari passu* with all other Senior Non-Preferred Liabilities of the Issuer;
 - (B) senior to holders of all classes of ordinary shares of the Issuer and any subordinated obligations or other securities of the Issuer which by law rank, or by their terms are expressed to rank, junior to the Senior Non-Preferred Liabilities of the Issuer; and
 - (C) junior to present or future claims of (a) depositors of the Issuer and (b) other unsubordinated creditors of the Issuer that are not creditors in respect of Senior Non-Preferred Liabilities of the Issuer,

subject, in all cases, to mandatory provisions of Swedish law.

In these Conditions:

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

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

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

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

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

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

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

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

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

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

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

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

(c) ***Waiver of set-off, netting or counterclaim***

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, netting or counterclaim against moneys owed by the Issuer in respect of the Notes (including any damages awarded for breach of any obligations under these Conditions, if any are payable) held by such Holder. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Issuer in respect of, or arising under or in connection with, the Notes is discharged by set-off, netting or counterclaim, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer and accordingly any such discharge shall be deemed not to have taken place.

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 these 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
- (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) or Condition 4(b) (as applicable):

- (i) 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; and
- (ii) 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,

where:

"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).

In these Conditions, "sub unit" means, with respect to any currency other than U.S. dollars and Euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to U.S. dollars and Euro, one cent.

(b) ***Interest on Reset Notes***

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

Each Reset Note bears interest:

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

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

The Calculation Agent will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant period, and will calculate the amount of interest (the "Interest Amount") payable on the Reset Notes for the relevant period by applying the Rate of Interest to:

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

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

In this Condition 4(b):

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

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

"First Margin" means the margin specified as such in the applicable Final Terms;

"First Reset Date" means the date specified in the applicable Final Terms;

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

"First Reset Period Fallback Yield" means the yield specified in the applicable Final Terms;

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

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

"Initial Rate of Interest" has the meaning specified in the applicable Final Terms;

"Original Reset Reference Rate Payment Basis" has the meaning specified in the applicable Final Terms. The Original Reset Reference Rate Payment Basis shall be annual, semi-annual, quarterly or monthly;

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

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

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

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

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

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

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

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

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

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

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

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

- (i) in the case of each Reset Period other than the First Reset Period:
 - (a) if Subsequent Reset Rate Previous Rate Final Fallback is specified in the applicable Final Terms as being applicable, the Reset Reference Rate in respect of the immediately preceding Reset Period; or

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

provided that:

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

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

- (a) if Reference Bond is specified as the Reset Reference Rate in the applicable Final Terms, which are primary government securities dealers or market makers in pricing corporate bond issues in the Specified Currency; or
- (b) if CMT Rate is specified as the Reset Reference Rate in the applicable Final Terms, which are primary U.S. Treasury Securities dealers or market makers in pricing corporate bond issues determined in U.S. dollars, as published on the Federal Reserve Bank of New York's Website (as defined in Condition 4(c)(ii)(B) below),

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

"Reset Reference Rate" means, in relation to a Reset Determination Date:

- (i) if Reference Bond is specified as the Reset Reference Rate in the applicable Final Terms:
 - (a) the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered yields of the relevant Reference Bond, as determined by the Calculation Agent by reference to the Relevant Screen Page at the Relevant (Reset) Time on such Reset Determination Date; or
 - (b) if such rate does not appear on the Relevant Screen Page at such Relevant (Reset) Time on such Reset Determination Date, the Reset Reference Bank Rate on such Reset Determination Date; or
- (ii) if CMT Rate is specified as the Reset Reference Rate in the applicable Final Terms and if the Specified Currency is U.S. dollars, the rate (expressed as a percentage rate and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) which is equal to:
 - (a) the Original Reset Reference Rate Payment Basis yield for U.S. Treasury Securities at "constant maturity" for a period of maturity which is equal or comparable to the duration of the relevant Reset Period, as published in H.15 under the caption "Treasury constant maturities (nominal)", as that yield is displayed on such Reset Determination Date, on the Relevant Screen Page; or
 - (b) if the yield referred to in paragraph (a) above is not published on the Relevant Screen Page on such Reset Determination Date, the Original Reset Reference Rate Payment Basis yield for U.S. Treasury Securities at "constant maturity" having a period to maturity which is equal or comparable to the duration of the relevant Reset Period as published in H.15 under the caption "Treasury constant maturities (nominal)" on such Reset Determination Date; or
 - (c) if neither the yield referred to in paragraph (a) above nor the yield referred to in paragraph (b) above is published on such Reset Determination Date, the Reset Reference Bank Rate on such Reset Determination Date,
- (iii) in each case, all as determined by the Calculation Agent;

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

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

"Second Reset Date" means the date specified in the applicable Final Terms;

"Subsequent Margin" means the margin specified as such in the applicable Final Terms;

"Subsequent Reset Date" means the date or dates specified in the applicable Final Terms;

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

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

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

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

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

(iii) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b) by the Calculation Agent or for determining the Reset Reference Rate, as applicable, shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on the Issuer, the Calculation Agent, the Principal Paying Agent, the other Paying Agents and all Holders of the Notes and (in the absence of wilful default and bad faith) no liability to the Issuer or the Holders shall attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) **Interest on Floating Rate Notes**

(i) **Interest Payment Dates**

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

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (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 Accrual Period (as defined below).

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(c)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (bb) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (cc) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (dd) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions:

"Business Day" means, unless otherwise provided in these Conditions:

- (1) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Business Centre (other than TARGET2 System (as defined below)) specified in the applicable Final Terms;

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

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

"Interest Period" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

(ii) **Rate of Interest**

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

(A) Screen Rate Determination for Floating Rate Notes – Reference Rate other than SOFR Index

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

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

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

If the Relevant Screen Page is not available or if, in the case of Condition 4(c)(ii)(A)(I), no offered quotation appears or, in the case of Condition 4(c)(ii)(A)(II), fewer than three offered quotations appear, in each case as at the Relevant Time, the Issuer shall request each of the Reference Banks to provide the Principal Paying Agent or the Calculation Agent, as the case

may be, with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent or the Calculation Agent, as the case may be, with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as the case may be.

If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent or the Calculation Agent, as the case may be, with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent or the Calculation Agent, as the case may be, determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (at the request of the Issuer) the Principal Paying Agent or the Calculation Agent, as the case may be, by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Relevant Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Eurozone interbank market (if the Reference Rate is EURIBOR) or the interbank market of the Relevant Financial Centre (if any other Reference Rate is used) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent or the Calculation Agent, as the case may be, with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Relevant Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Principal Paying Agent or the Calculation Agent, as the case may be, it is quoting to leading banks in the Eurozone interbank market (if the Reference Rate is EURIBOR) or the interbank market of the Relevant Financial Centre (if any other Reference Rate is used) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

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

"Interest Determination Date" shall mean the date specified as such in the Final Terms or if none is so specified:

- (i) if the Reference Rate is the Eurozone interbank offered rate ("EURIBOR"), the second day on which the TARGET2 System is open prior to the start of each Interest Period;
- (ii) if the Reference Rate is the Stockholm interbank offered rate ("STIBOR"), the second Stockholm business day prior to the start of each Interest Period;
- (iii) if the Reference Rate is the Norwegian interbank offered rate ("NIBOR"), the Second Oslo business day prior to the start of each Interest Period;

- (iv) if the Reference Rate is the Copenhagen interbank offered rate ("CIBOR"), the first day of each Interest Period;
- (v) if the Reference Rate is the Tokyo interbank offered rate ("TIBOR"), the second Tokyo business day prior to the start of each Interest Period; or
- (vi) if the Reference Rate is the Hong Kong interbank offered rate ("HIBOR"), the first day of each Interest Period.

"Reference Bank" shall mean, in the case of a determination of EURIBOR, the principal Eurozone office of four major banks in the Eurozone interbank market and, in the case of a determination of a Reference Rate that is not EURIBOR, the principal office in the Relevant Financial Centre of four major banks in the interbank market of the Relevant Financial Centre, in each case selected by the Issuer on the advice of an investment bank of international repute.

"Reference Rate" shall mean (i) EURIBOR, (ii) STIBOR, (iii) NIBOR, (iv) CIBOR, (v) TIBOR, or (vi) HIBOR, in each case for the relevant period, as specified in the applicable Final Terms.

"Relevant Financial Centre" shall mean Brussels, in the case of a determination of EURIBOR, Stockholm, in the case of a determination of STIBOR, Oslo, in the case of a determination of NIBOR Copenhagen, in the case of a determination of CIBOR, Tokyo, in the case of a determination of TIBOR and Hong Kong, in the case of a determination of HIBOR as specified in the applicable Final Terms.

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

"Relevant Time" shall mean (i) in the case of EURIBOR, 11.00 a.m., (ii) in the case of STIBOR, 11.00 a.m., (iii) in the case of NIBOR, 12.00 noon, (iv) in the case of CIBOR, 11.00 a.m., (v) in the case of TIBOR, 11.00 a.m., and (vi) in the case of HIBOR, 11.00 a.m., in each case in the Relevant Financial Centre, or such other time as specified in the applicable Final Terms.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(B) Screen Rate Determination for SOFR Index Floating Rate Notes

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

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

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

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

where:

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

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

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

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

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

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

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

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

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

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

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

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

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

(C) 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(C), "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 (i) if "2006 ISDA Definitions" is specified in the applicable Final Terms, the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. ("ISDA") and as amended and updated as at the Issue Date of the first Tranche of the Notes or (ii) if "2021 ISDA Definitions" is specified in the applicable Final Terms, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions as published or (if applicable) as amended and updated by ISDA as at the Issue Date of the first Tranche of the Notes (the relevant definitions, 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 the day specified in the applicable Final Terms.

For the purposes of this subparagraph (B), "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.

Notwithstanding anything in the ISDA Definitions to the contrary, neither the Principal Paying Agent nor the Calculation Agent will have any obligation to exercise any discretion (including in determining EURIBOR or the fallback rate). To the extent the ISDA Definitions requires the Principal Paying Agent and/or the Calculation Agent, as the case may be, to exercise any such discretion, the Issuer will provide written direction to the Principal Paying Agent and/or Calculation Agent, as the case may be, specifying how such discretion should be exercised and the Principal Paying Agent and/or Calculation Agent, as the case may be, will be entitled to conclusively rely on that direction and will be fully protected if it acts in accordance therewith.

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

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Accrual Period, then, in the event that the Rate of Interest in respect of such Interest Accrual Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Accrual Period shall be such Maximum Rate of Interest.

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

The Principal Paying Agent will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Accrual Period.

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

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

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

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

- (A) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Accrual Period divided by 365 (or, if any portion of that Interest Accrual Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Accrual Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Accrual Period falling in a non-leap year divided by 365);
- (B) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Accrual Period divided by 365;

- (C) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Accrual Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (D) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Accrual Period divided by 360;
- (E) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Accrual Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

"D₁" is the first calendar day, expressed as a number, of the Interest Accrual 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 Accrual 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 Accrual Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

"D₁" is the first calendar day, expressed as a number, of the Interest Accrual 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 Accrual 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 Accrual Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

(v) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Accrual Period in the applicable Final Terms, the Rate of Interest for such Interest Accrual Period shall be calculated by the Principal Paying Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

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

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

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Accrual Period and the relevant Interest Payment Date (or, as the case may be, any other day on which the relevant payment of interest falls due) to be notified to the Issuer, the Trustee, the Registrar (in the case of Registered Notes) and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 15 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date (or, as the case may be, any other day on which the relevant payment of interest falls due) so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Accrual Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Holders of the Notes in accordance with Condition 15. For the purposes of this paragraph, the expression "London Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(vii) **Certificates to be Final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(c) by the Principal Paying Agent shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on the Issuer, the Principal Paying Agent, the other Paying Agents and all Holders of the Notes and (in the absence of wilful default and bad faith) no liability to the Issuer or the Holders shall attach to the Principal Paying Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(viii) **Calculation Agent**

If the applicable Final Terms specify that a Calculation Agent will be appointed in place of the Principal Paying Agent for the purposes of calculating the Rate(s) of Interest and Interest Amount(s) as aforesaid, references in this Condition 4(c) to the Principal Paying Agent shall, unless the context otherwise requires, be construed as references to such Calculation Agent.

(d) ***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).

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

This Condition 4(e) applies only if "Benchmark Discontinuation – Independent Adviser" is specified to be applicable in the applicable Final Terms.

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

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

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

At the request of the Issuer, but subject to receipt by the Trustee and Principal Paying Agent of a certificate signed by two directors or other authorised signatories of the Issuer, upon which

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

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

Notwithstanding any other provision of this Condition 4(e), no Successor Rate, Alternative Rate or Adjustment Spread will be adopted, nor will any other amendments to the terms and conditions of any Series of Notes be made to effect the Benchmark Amendments, if and to the extent that, in the determination of the Issuer and to the extent applicable to the relevant Notes at the relevant time, the same could reasonably be expected to:

- (i) prejudice the qualification of the relevant Series of Notes as MREL Eligible Liabilities, such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors or other authorised signatories of the Issuer (upon which certificate the Trustee is entitled to rely absolutely and without liability); or
 - (ii) result in the Relevant Regulator treating the next Interest Payment Date or Reset Date, as the case may be, as the effective maturity of the Notes, rather than the relevant Maturity Date, such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors or other authorised signatories of the Issuer (upon which certificate the Trustee is entitled to rely absolutely and without liability).
- (e) *Failure to appoint an Independent Adviser:* If the Issuer is unable to appoint an Independent Adviser in accordance with this Condition 4(e), the Issuer, acting in good faith and in a commercially reasonable manner, may still determine (i) a Successor Rate or Alternative Rate and (ii) in either case, an Adjustment Spread and/or any Benchmark Amendments in accordance with this Condition 4(e) (with the relevant provisions in this Condition 4(e) applying *mutatis mutandis* to allow such determinations to be made by the Issuer without consultation with an Independent Adviser).

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

- (f) *Notices, etc:* Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(e) will be notified promptly

by the Issuer to the Trustee, the Principal Paying Agent, the Paying Agents and, in accordance with Condition 15, the Holders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee and the Principal Paying Agent of the same, the Issuer shall deliver to the Trustee and the Principal Paying Agent a certificate signed by two directors or other authorised signatories of the Issuer:

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

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

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

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

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

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

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate),

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

"Alternative Rate" means an alternative benchmark or screen rate which the Issuer determines in accordance with Condition 4(e)(b) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Notes.

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

"Benchmark Event" means:

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

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

supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement and, in each case, not the date of the relevant public statement.

"Independent Adviser" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer at its own cost under Condition 4(e)(a).

"Original Reference Rate" means:

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

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

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

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

(f) ***Benchmark Discontinuation – ARRC SOFR***

This Condition 4(f) applies only if (i) the Specified Currency is U.S. dollars and the Reference Rate specified in the applicable Final Terms is SOFR Index and (ii) "Benchmark Discontinuation – ARRC SOFR" is also specified to be applicable in the applicable Final Terms.

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

If the Issuer exercises its right to make Benchmark Replacement Conforming Changes at any time, at the request of the Issuer, but subject to receipt by the Trustee and Principal Paying Agent of a certificate signed by two directors or other authorised signatories of the Issuer, upon which the Trustee and Principal Paying Agent may rely without liability or enquiry to any person, pursuant to Condition 4(f)(iv), the Trustee and Principal Paying Agent shall (at the

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

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

Notwithstanding any other provision of this Condition 4(f), no Benchmark Replacement will be adopted nor will any other amendments to the terms and conditions of any Series of Notes be made to effect the Benchmark Replacement Conforming Changes, if and to the extent that, in the determination of the Issuer and to the extent applicable to the relevant Notes at the relevant time, the same could reasonably be expected to:

- (a) prejudice the qualification of the relevant Series of Notes as MREL Eligible Liabilities, such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors or other authorised signatories of the Issuer (upon which certificate the Trustee is entitled to rely absolutely and without liability); or
 - (b) result in the Relevant Regulator treating the next Interest Payment Date as the effective maturity of the Notes, rather than the relevant Maturity Date, such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors or other authorised signatories of the Issuer (upon which certificate the Trustee is entitled to rely absolutely and without liability).
- (iii) *Decisions and Determinations:* Any determination, decision or election that may be made by the Issuer pursuant to this Condition 4(f), including (A) any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection and (B) for the avoidance of doubt, any Benchmark Replacement Conforming Changes, will be conclusive and binding (in the absence of manifest error) and subject as provided in this Condition 4(f)), may be made in the Issuer's sole discretion, and, subject as provided in this Condition 4(f), shall become effective without consent from any other party.
- (iv) *Notices, etc:* Any Benchmark Replacement and the specific terms of any Benchmark Replacement Conforming Changes determined under this Condition 4(f) will be notified promptly by the Issuer to the Trustee, the Principal Paying Agent, the Paying Agents and, in accordance with Condition 15, the Holders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Replacement Conforming Changes, if any.

No later than notifying the Trustee and Principal Paying Agent of the same, the Issuer shall deliver to the Trustee and Principal Paying Agent a certificate signed by two directors or other authorised signatories of the Issuer:

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

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

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

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

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

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

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

- (1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

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

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

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

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

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

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

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

the administrator for the Benchmark (or such component), which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

- (3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

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

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

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

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

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

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

Notwithstanding anything in the ISDA Definitions to the contrary, neither the Principal Paying Agent nor the Calculation Agent will have any obligation to exercise any discretion (including in determining EURIBOR or the fallback rate). To the extent the ISDA Definitions requires the Principal Paying Agent and/or the Calculation Agent, as the case may be, to exercise any such discretion, the Issuer will provide written direction to the Principal Paying Agent and/or Calculation Agent, as the case may be, specifying how such discretion should be exercised and the Principal Paying Agent and/or Calculation Agent, as the case may be, will be entitled to conclusively rely on that direction and will be fully protected if it acts in accordance therewith.

5. Redemption, Purchase, Substitution and Variation

(a) *Redemption at Maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount in the relevant Specified Currency on the Maturity Date.

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

Subject to Condition 5(i) below, if:

- (A) (i) in relation to any Series of Notes, a Withholding Tax Event occurs; or
- (ii) in relation to any Series of Notes where "Tax Event Call" is specified as being applicable in the applicable Final Terms, a Tax Event occurs;

and

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

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

- (a) notice is given by the Issuer to the Trustee and the Holders in accordance with Condition 15 not less than 15 nor more than 60 days' prior to redemption;
- (b) in the case of Floating Rate Notes only, redemption is to be on an Interest Payment Date; and
- (c) where the Issuer would be obliged to pay additional amounts as provided in Condition 7 in respect of any payment due in respect of the Notes, then no such notice of redemption may be given earlier than 90 days (or, in the case of Floating Rate Notes, a number of days which is equal to the aggregate of the number of days falling within the then current interest period applicable to the Notes plus 60 days) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts.

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

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

For the purposes of this Condition 5(b):

"Change in Tax Law" means:

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

the manner in which such amendment, change, action, interpretation, pronouncement or decision is made known;

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

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

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

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

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

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

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

Subject to Condition 5(i) below, if Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given:

- (i) not less than 15 nor more than 60 days' notice (or such other notice period as may be specified in the applicable Final Terms) to the Holders in accordance with Condition 15; and
- (ii) not less than 15 days before the giving of the notice referred to in (i) above, notice to the Trustee, the Principal Paying Agent (copied to the other Paying Agents, in the case of Bearer Notes) and the Registrar (copied to the Principal Paying Agent and the Transfer Agents, in the case of Registered Notes);

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption

Amount(s) specified in the applicable Final Terms 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 DTC, 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), as the case may be, in the case of Redeemed Notes represented by a global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 not less than 15 days (or such other notice period as may be specified in the applicable Final Terms) prior to the date fixed for redemption. No exchange of the relevant global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 5(c) and notice to that effect shall be given by the Issuer to the Holders in accordance with Condition 15 at least five days prior to the Selection Date.

(d) **Early Redemption Amounts**

For the purpose of Condition 5(b) above and Condition 6, 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) 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 the applicable Final Terms or, if no such amount 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 the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360); or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and

repayable and the denominator will be 360); or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

(e) **Purchases**

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

In these Conditions:

"Relevant Regulator" means (to the extent applicable to the relevant Notes at the relevant time) the Swedish National Debt Office or such other authority tasked with matters relating to the qualification of securities of the Issuer or the Group, as the case may be, under the Applicable MREL Regulations.

(f) **Cancellation**

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

(g) **Late Payment on Zero Coupon Notes**

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

"Late Payment Date" means the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent, the Registrar or the Trustee and notice to that effect has been given to the Holders in accordance with Condition 15.

(h) **Redemption upon occurrence of a MREL Disqualification Event**

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

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

- (a) in the case of all Notes other than Floating Rate Notes, at any time within the period of not less than 15 nor more than 60 days from the date of such notice; or
- (b) in the case of Floating Rate Notes, (1) on any Interest Payment Date falling within the period of not less than 15 nor more than 60 days from the date of such notice or (2) if there is no Interest Payment Date falling within (1) above, on the first Interest Payment Date to occur after the expiry of 60 days from the date of such notice,

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

For the purposes of these Conditions:

"MREL Disqualification Event" means the determination by the Issuer that, as a result of a change in any Applicable MREL Regulations becoming effective on or after the Issue Date of the last Tranche of the Notes, it is likely that the Notes will be fully excluded or partially excluded from the "eligible liabilities" (or any equivalent or successor term) available to meet any MREL Requirement (however called or defined by then Applicable MREL Regulations) if the Issuer or the Group is then or, as the case may be, will be subject to such MREL Requirement, such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two directors or other authorised signatories of the Issuer, provided that a MREL Disqualification Event shall not occur where such exclusion is or will be caused by (1) the remaining maturity of such Notes being less than any period prescribed by any applicable eligibility criteria under the Applicable MREL Regulations, or (2) any applicable limits on the amount of "eligible liabilities" (or any equivalent or successor term) permitted or allowed to meet any MREL Requirement(s) being exceeded.

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

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

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

No early redemption, purchase, substitution or variation as contemplated by this Condition 5 of Notes may be made without the prior consent of the Relevant Regulator (if such consent is required at the relevant time by the Applicable MREL Regulations).

(j) ***Substitution or Variation***

This Condition 5(j) applies only where this Condition 5(j) is specified as being applicable in the applicable Final Terms and references to "Notes" in this Condition 5(j) shall be construed accordingly.

If at any time: (i) a MREL Disqualification Event occurs and is continuing; (ii) a Withholding Tax Event occurs and is continuing; (iii) where "Tax Event Call" is specified as applicable in the applicable Final Terms, a Tax Event occurs and is continuing; or (iv) in order to ensure the effectiveness and enforceability of Condition 18(f), the Issuer may, subject to Condition 5(i) (without any requirement for the consent or approval of the Holders or, subject as provided below, the Trustee) on giving not less

than 15 nor more than 60 days' notice to (i) the Trustee and (ii) the Holders in accordance with Condition 15 (which notice shall be irrevocable) either substitute all (but not some only) of the Notes for, or vary the terms of the Notes and/or the terms of the Trust Deed so that or provided that (as the case may be) they remain or, as appropriate, become, in the case of Senior Preferred Notes, Senior Preferred Qualifying Securities (as defined below) or, in the case of Senior Non-Preferred Notes, Senior Non-Preferred Qualifying Securities (as defined below), as the case may be.

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

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

In these Conditions:

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

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

offs, write-downs or conversion to equity, unless the triggers are objective and measurable; and

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

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

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

(k) ***Clean-Up Call Option***

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

If the Clean-up Call Minimum Percentage (or more) of the principal amount outstanding of the Notes originally issued have been redeemed or purchased and subsequently cancelled in accordance with this Condition 5, the Issuer may, at its option, but subject to Condition 5(i), give notice to (i) the Trustee

and (ii) the Holders in accordance with Condition 15 (which notice shall be irrevocable) that all (but not some only) of the outstanding Notes comprising the relevant Series shall be redeemed:

- (a) in the case of all Notes other than Floating Rate Notes, at any time within the period of not less than 15 nor more than 60 days from the date of such notice; or
- (b) in the case of Floating Rate Notes, (1) on any Interest Payment Date falling within the period of not less than 15 nor more than 60 days from the date of such notice or (2) if there is no Interest Payment Date falling within (1) above, on the first Interest Payment Date to occur after the expiry of 60 days from the date of such notice,

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

For the purposes of this Condition 5(k), any further notes, bonds or debentures issued pursuant to Condition 16 which are consolidated and form a single series with the Notes of any Series outstanding at that time will be deemed to be originally issued.

For the purposes of these Conditions, "Clean-Up Call Minimum Percentage" means 75 per cent., unless otherwise specified in the applicable Final Terms.

6. Events of Default

(a) *Events of Default*

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

For the avoidance of doubt, a "resolution" or "moratorium" under the BRRD will not constitute an Event of Default.

If any Event of Default shall have occurred and be continuing in relation to any Series of Notes, the Trustee may at its discretion, and if so requested by Holders of at least one-quarter in principal amount of the Notes of such Series then outstanding or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) will, by written notice to the Issuer declare that such Notes are and shall, subject to the provisions set out below in this Condition

6(a)(i), immediately become, due and payable at their Early Redemption Amount together with all interest (if any) accrued thereon.

If a Note becomes due and payable under this Condition 6(a)(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(a)(i) the Issuer shall, with the prior consent of the Relevant Regulator (if such consent is required by the Applicable MREL Regulations), 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(a)(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(a)(i) and 6(a)(ii) above or proving or claiming in the bankruptcy (Sw: *konkurs*) or liquidation (Sw: *likvidation*) of the Issuer in the Kingdom of Sweden or elsewhere, shall be available to the Trustee or the Holders of Notes, whether for the recovery of amounts owing in respect of the Notes or in respect of any breach by the Issuer of any of its obligations or undertakings under the Notes or the Trust Deed. For the avoidance of doubt, this does not affect the Trustee's personal rights to be paid and/or indemnified.

(b) ***Exercise of Swedish Statutory Loss Absorption Powers***

The exercise of any Swedish Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Notes will not be an Event of Default with respect to such Notes.

7. Taxation

- (a) All amounts payable (whether in respect of principal, redemption amount, interest or otherwise) in respect of the Notes or Coupons by or on behalf of the Issuer will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Taxing Jurisdiction, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, in the case of a payment of interest only, the Issuer will pay such additional amounts as may be necessary in order that the net amounts 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 or Coupon:

- (i) to, or to a third party on behalf of, a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the Taxing Jurisdiction other than the mere holding of such Note or Coupon; or
- (ii) 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.
- (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) Notwithstanding anything to the contrary contained herein, any amounts to be paid with respect to any Note or Coupon will be paid net of any deduction or withholding imposed or required pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to section 1471(b) of the Code, any intergovernmental agreement, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such sections of the Code (or any law implementing such an intergovernmental agreement) (a "FATCA Withholding Tax"), and no additional amounts shall be payable on account of any FATCA Withholding Tax.
- (d) Any reference in these Conditions to interest in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 7.

8. Payments

(a) *Method of Payment*

Subject as provided below:

- (i) payments in a Specified Currency other than Euro 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, regulations or directives applicable thereto in the place of payment or other laws to which the Issuer agrees to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Holders or Couponholders in respect of such payments. References to "Specified Currency" will include any successor currency under applicable law.

(b) *Payments in Respect of Registered Notes*

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

registered at the close of business on the business day (being for this purpose a day on which banks are open for business in the city where the Registrar is located) immediately prior to the relevant payment date against presentation and surrender (or, in the case of part payment of any sum due only, endorsement) of such Notes at the specified office of the Registrar.

Payments of interest due on a Registered Note (whether in definitive or global form) will be made in the manner specified in Condition 8(a) to the person in whose name such Note is registered (i) where in global form, at the close of business on the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) prior to such due date and (ii) where in definitive form, at the close of business on the 15th day (whether or not such 15th 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.

(c) ***Presentation of Definitive Bearer Notes and Coupons***

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

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

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Reset Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further

Coupons shall be made in respect thereof. A "Long Maturity Note" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

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

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

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

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

(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 DTC, Euroclear and/or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such global Note must look solely to DTC, Euroclear and/or Clearstream, Luxembourg, 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.

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 may, at the election of the beneficial holder of such Note, be paid by transfer by the Registrar (or the Principal Paying Agent acting on the Registrar's behalf) to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Agency Agreement.

(f) **Payment Day**

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the Holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "Payment Day" means any day which (subject to Condition 9) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) in the case of Notes in definitive form only, the relevant place of presentation;
 - (B) each Financial Centre (other than TARGET2 System) specified in the applicable Final Terms; and
 - (C) if TARGET2 System is specified as a Financial Centre in the applicable Final Terms, a day on which the TARGET2 System is open; and
- (ii) either (I) in relation to any sum payable in a Specified Currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) or (II) in relation to any sum payable in Euro, a day on which the TARGET2 System is open.

(g) **Interpretation of Principal and Interest**

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

- (i) the Final Redemption Amount of the Notes;
- (ii) the Early Redemption Amount of the Notes;
- (iii) the Optional Redemption Amount(s) (if any) of the Notes;
- (iv) the Clean-Up Call Option Amount (if any) of the Notes;
- (v) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 5(d)); and

- (vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these 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.

9. Prescription

- (a) The Notes (whether in bearer or registered form) and Coupons will become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor.
- (b) There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 8(c) or any Talon which would be void pursuant to Condition 8(c).

10. Agents

The initial Agents and their respective initial specified offices are specified below. If any additional Paying Agents are appointed in connection with any Series of Notes, the names of such Paying Agents will be specified in Part B of the applicable Final Terms. 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:

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

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

The Agents reserve the right at any time to change their respective specified offices to some other specified office in the same city.

Notice of all changes in the identities or specified offices of the Agents, will be notified promptly to the Issuer, the Trustee and the Holders.

11. Replacement of Notes and Coupons

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

12. Meetings of Holders, Modification and Waiver and Substitution

(a) *Meetings of Holders*

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

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

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

(b) *Modification and waiver*

The Trustee may agree, without the consent of the Holders, to (i) any modification of any provision of the Trust Deed which is of a formal, minor or technical nature or is made to correct a manifest error or an error which is in the opinion of the Trustee proven and (ii) any other modification (except such modifications in respect of which an increased quorum is required, as mentioned in the Trust Deed) and any waiver or authorisation of any breach or proposed breach, of any provision the Notes, of these Conditions or the Trust Deed or determine, without any such consent as aforesaid, that any Event of

Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee materially prejudicial to the interests of the Holders. In addition, the Trustee shall be obliged to concur with the Issuer without the consent of the Holders in effecting (i) any Benchmark Amendments in the circumstances and as otherwise set out in Condition 4(e) and any Benchmark Replacement Conforming Changes in the circumstances and as otherwise set out in Condition 4(f) (in each case, including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed) and (ii) any substitution of a Series of Notes or variation of the terms of a Series of Notes and/or the terms of the Trust Deed in respect thereof in the circumstances and as otherwise set out in Condition 5(j). Any such modification, substitution, waiver, authorisation or determination shall be binding on the Holders and, if the Trustee so requires, such modification shall be notified to the Holders as soon as practicable.

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

Any modification to these Conditions in relation to the Notes is subject to the prior permission of the Relevant Regulator (if such permission is required by the Applicable MREL Regulations).

(c) **Substitution**

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

13. Enforcement

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

- (a) In the case of any Registered Notes represented by a global Note, notices shall be deemed to be validly given if delivered to DTC, Euroclear and/or Clearstream, Luxembourg 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 Holders of Bearer Notes

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

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

16. Further Issues

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

17. Currency Indemnity

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

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

- (a) *Governing law:* The Notes, the Agency Agreement and the Trust Deed, all matters arising from or connected with them and any non-contractual obligations arising out of or in connection therewith are governed by, and shall be construed in accordance with, English law, except that the provisions in the Notes under Condition 3 and Clause 3 of the Trust Deed are governed by, and shall be construed in accordance with, Swedish law.
- (b) *English courts:* The Issuer agrees for the benefit of the Trustee and the Holders that the courts of England shall have exclusive jurisdiction to settle any dispute (a "Dispute") arising from or connected with the Notes (including a Dispute relating to any non-contractual obligations arising out of or in connection therewith).
- (c) *Appropriate forum:* The Issuer agrees that the courts referred to in Condition 18(b) are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient.
- (d) *Rights of Holders to take proceedings outside England:* Condition 18(b) is for the benefit of the Trustee and the Holders only. As a result, nothing in this Condition 18 prevents the Trustee or any Holder from taking proceedings relating to a Dispute ("Proceedings") (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Notes and the Trust Deed) in any

other courts with jurisdiction. To the extent allowed by law, the Trustee and the Holders may take concurrent Proceedings in any number of jurisdictions.

- (e) *Process agent.* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered in connection with any Proceedings in England, to Business Sweden, The Swedish Trade & Invest Council at its office at 5 Upper Montagu Street, London W1H 2AG, United Kingdom. If such person is not or ceases to be effectively appointed to accept service of process on the Issuer's behalf, the Issuer shall, on the written demand of any Holder addressed to the Issuer and delivered to the Issuer or to the specified office of the Trustee, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Holder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the specified office of the Trustee. Nothing in this paragraph shall affect the right of any Holder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.
- (f) *Acknowledgement of Swedish Statutory Loss Absorption Powers:* Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements or understanding between the Issuer and any Holder (which, for the purposes of this Condition 18(f), includes each holder of a beneficial interest in the Notes), by its acquisition of the Notes, each Holder acknowledges and accepts that any liability arising under the Notes may be subject to the exercise of Swedish Statutory Loss Absorption Powers by the Relevant Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:
- (i) the effect of the exercise of any Swedish Statutory Loss Absorption Powers by the Relevant Resolution Authority, which exercise (without limitation) may include and result in any of the following, or a combination thereof:
 - (I) the reduction of all, or a portion, of the Relevant Amounts in respect of the Notes;
 - (II) the conversion of all, or a portion, of the Relevant Amounts in respect of the Notes into shares, other securities or other obligations of the Issuer or another person, and the issue to or conferral on the Holder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Notes;
 - (III) the cancellation of the Notes or the Relevant Amounts in respect of the Notes; and
 - (IV) the amendment of the amount of interest payable on the Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period; and
 - (ii) the variation of the terms of the Notes, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Swedish Statutory Loss Absorption Powers by the Relevant Resolution Authority.

Upon the Issuer being informed or notified by the Relevant Resolution Authority of the actual exercise of the Swedish Statutory Loss Absorption Powers or the date from which the Swedish Statutory Loss Absorption Powers shall be effective with respect to the Notes, the Issuer shall notify the Holders in accordance with Condition 15 without delay. Any delay or failure by the Issuer to give such notice shall not affect the validity and enforceability of the Swedish Statutory Loss Absorption Powers nor the effects on the Notes described in this Condition.

For the purposes of this Condition 18(f):

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

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

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

19. Third Parties

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

7. Use and Estimated Net Amounts of Proceeds

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

- (a) where "General Business Purposes" is specified in the applicable Final Terms, for its general business purposes;
- (b) where "Green Bonds" is specified in the applicable Final Terms, to finance or refinance, in whole or in part, Eligible Green Assets (as defined below and as amended from time to time);
- (c) where "Social Bonds" is specified in the applicable Final Terms, to finance or refinance, in whole or in part, Eligible Social Assets (as defined below and as amended from time to time);
or
- (d) where "Sustainability Bonds" is specified in the applicable Final Terms, to finance or refinance, in whole or in part, Eligible Green Assets and Eligible Social Assets.

The Eligible Green Assets and Eligible Social Assets fulfil the criteria (the "Eligibility Criteria") as summarised below and set out in the Issuer's Sustainable Funding Framework, as amended from time to time (the "Swedbank Sustainable Funding Framework") and available on the Issuer's website (<https://internetbank.swedbank.se/ConditionsEarchive/download?bankid=1111&id=WEBDOC-PRODE125851649>). For the avoidance of doubt, any information contained in, or accessible through, the Issuer's website is not incorporated by reference, and does not constitute part of, this Base Prospectus.

The estimated net amount of proceeds of each Tranche of Notes will be stated in the applicable Final Terms.

Eligibility Criteria

The Swedbank Sustainable Funding Framework's "Eligibility Criteria" are intended to provide environmental or social benefits and promote the transition to low-carbon, climate resilient and sustainable economies through loans and investments in Nordic and Baltic countries in one or more of the areas set out in the Swedbank Sustainable Funding Framework ("Eligible Green Assets" and "Eligible Social Assets", respectively). The Eligible Green Assets and "Eligible Social Assets provided for in the Swedbank Sustainable Funding Framework current at the date hereof are summarised below:

Eligible Green Assets

- Renewable energy projects, including the production and development of, and related infrastructure and technologies from, wind energy, solar energy, ocean energy, hydro energy (excluding large hydropower plants) and pumped storage facilities.
- Energy efficiency projects from renewable sources or alternatively combined sources with life-cycle emissions below 100gCO₂e/kWh (including energy transfer and energy storage), energy efficiency technologies (such as efficient appliances and smart meters, energy efficient machinery and products or services that increase the energy efficiency of industrial/utility processes) and district heating/cooling.
- Green buildings, including (i) new residential or commercial buildings that meet a defined energy performance classification, earn certain recognised third-party environmental certifications or, for buildings larger than 5000m², have a demonstrated life-cycle global warming potential and upon

completion undergo testing for airtightness and thermal control; (ii) ownership or acquisition of existing residential or commercial buildings built before 2021 which meet certain specified criteria; and (iii) property upgrades of either residential or commercial buildings that meet certain specified criteria.

- Sustainable management of living natural resources and land use, including sustainable management of forestry that meets certain recognised third-party environmental standards and sustainable land use and biodiversity conservation.
- Pollution prevention and control, including sustainable waste management such as recycling, biogas production of organic waste, incineration of non-recyclable municipal waste and forest biomass from forests that meet certain recognised third-party environmental standards.
- Sustainable water and wastewater management that increases water-use efficiency, water recycling and reuse, including water saving systems and technologies and water metering, water treatment facilities, activities and technologies that increase water quality, sanitation facilities, upgrades to wastewater treatment plants to remove nutrients and wastewater discharge infrastructure.
- Clean transportation, including passenger and public transport vehicles with zero tailpipe emissions or low-carbon vehicles, freight (excluding systems and infrastructure used primarily for the transportation of fossil fuels) with zero-direct tailpipe carbon dioxide emissions or low-emissions and infrastructure that is required for zero direct emissions transport or dedicated to urban and suburban public passenger transport.
- Climate change adaptation, including in respect of renewable energy (such as investments in resilient water dams for adapting to water stress, water shortage and water surplus), green buildings (such as flood defence, stormwater management systems, green roofs and walls and resilient buildings in high-risk environments), natural resources (such as alternative pest control, forest fire risk prevention, infrastructure and equipment) and transportation (acute and preventative measures for transport infrastructure for adapting to changed weather patterns).

Eligible Social Assets

- Employment generation in socioeconomically weak areas or rural areas with above average unemployment rates and supporting businesses and individuals in the case of extraordinary circumstances (such as natural disasters, pandemics or other crises).
- Affordable housing, including improving access to affordable mortgages to low-income families, first time homeowners and youth, and improving access to affordable rental housing.
- Socioeconomic advancement and empowerment, including empowering activities aiming to reduce inequality in the areas of diversity, inclusion and gender, and/or protecting the rights of beneficiaries, strengthening entrepreneurship through financing female-operated, managed or majority owned small to medium-sized enterprises and advancing residential life in socio-economically weak areas through refurbishment and improvement of residential properties and surrounding areas.
- Access to essential services - education and healthcare, including public, non-profit, free or subsidised services, activities or business operations solving, enabling and promoting access to education or healthcare.

ISS ESG has evaluated the Swedbank Sustainable Funding Framework and issued a second-party opinion on the Swedbank Sustainable Funding Framework (the "Second-Party Opinion") and (among other matters) its alignment with the International Capital Markets Association Green Bond Principles 2021, Social Bond Principles 2021 and Sustainable Bond Guidelines 2021. The Second-Party Opinion is available on the Issuer's

website at: [Second Party Opinion \(SPO\) - Sustainability Quality of the Issuer and Sustainable Financing Framework of Swedbank](#).

Any information on, or accessible through, the Issuer's website and the information in the Swedbank Sustainable Funding Framework or the Second-Party Opinion is not incorporated by reference, and does not constitute part of, this Base Prospectus and should not be relied upon in connection with making any investment decision with respect to any Green Bonds, Social Bonds and/or Sustainability Bonds.

Eligible Green Asset and Eligible Social Asset Evaluation and Selection Process

Swedbank's business units select potential Eligible Green Assets and Eligible Social Assets and prepare applications with supporting documentation for submission to Swedbank's Group Sustainability department. Group Sustainability then performs a sustainability analysis for each application to determine whether the relevant asset satisfies the Eligibility Criteria. If approved by Group Sustainability, the application is then submitted to Swedbank's Sustainable Bond Committee. The Sustainable Bond Committee, chaired by the Head of Group Sustainability and comprising representatives from relevant functions such as Group Risk, Group Treasury, LC&I, Swedish Banking (Retail) and Baltic Banking, is responsible for final approval of Eligible Green Assets and Eligible Social Assets.

Management of Proceeds

Once an Eligible Green Asset or Eligible Social Asset has been approved by the Sustainable Bond Committee, it is registered in Swedbank's sustainable asset register (the "Sustainable Asset Register"). Group Treasury monitors the Sustainable Asset Register on a quarterly basis to ensure that all proceeds from any Green Bonds, Social Bonds and/or Sustainability Bond issuances are allocated to a corresponding amount of Eligible Green Assets or Eligible Social Assets. For any Green, Bonds Social Bonds or Sustainability Bonds to be issued, the Sustainable Assets Register must have identified and determined a volume of Eligible Green Assets or Eligible Social Assets (as applicable) at least amounting to the intended issuance size. Proceeds of Green Bonds, Social Bonds or Sustainability Bonds may be reallocated to other Eligible Green Assets or Eligible Social Assets during the term of the relevant Green Bonds, Social Bonds or Sustainability Bonds, including in the event that the original Eligible Green Assets or Eligible Social Assets are no longer in the Sustainable Assets Register.

If there are no Eligible Green Assets or Eligible Social Assets (as applicable) available, Swedbank will temporarily invest the excess proceeds in accordance with its internal sustainability policy framework and liquidity reserve requirements.

Reporting

Swedbank will, at least on an annual basis and until the relevant Green Bonds, Social Bonds or Sustainability Bonds have matured, publish an allocation report (a "Use of Proceeds Report") and an impact report (the "Impact Report"), which will be available on the Issuer's website; the most recent Impact Report, which also includes the Use of Proceeds Report is available here ([download \(swedbank.se\)](#)). For the avoidance of doubt, any information contained in, or accessible through, the Issuer's website is not incorporated by reference, and does not constitute part of, this Base Prospectus.

Each Use of Proceeds Report will, amongst other things, detail the total amount of Green Bonds, Social Bonds or Sustainability Bonds issued and the allocation of proceeds within each category of Eligible Green Assets and/or Eligible Social Assets, as applicable.

Each Impact Report will include details on the environmental or social outputs of the Sustainable Asset Register (the financed Eligible Green or Eligible Social Assets on portfolio level).

Swedbank will also engage an independent external auditor to review the Use of Proceeds Report to provide limited assurance on the allocation of proceeds conformity to the Swedbank Sustainable Funding Framework. Its report will be available on the Issuer's website.

The Swedbank Sustainable Funding Framework is subject to change in all respects at any time without notice. Any third party reports (for example, the limited assurance report referred to above), may be withdrawn or the engagement of such third party may be discontinued at any time. In addition, neither Swedbank nor the Dealers make any assurance or representation as to (i) whether the Eligible Green Assets and/or Eligible Social Assets will meet the relevant environmental, social and/or sustainability criteria or the expectations of investors regarding environmental impact and sustainability performance, (ii) whether the net proceeds of any Green Bonds, Social Bonds and/or Sustainability Bonds will be capable of being applied in, or substantially in, the manner described in this Base Prospectus and/or the applicable Final Terms or (iii) the specific characteristics of the Eligible Green Assets and/or Eligible Social Assets, as applicable. See "Risk Factors— In respect of any Notes issued with a specific use of proceeds, such as a "Green Bonds", "Social Bonds" and/or "Sustainability Bonds", there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor."

8. Swedbank

8.1 Overview

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

As of December 31, 2022, the Group served a total of over seven million private customers and 550,000 corporate customers and organisations through approximately 400 branches, primarily in its four home markets of Sweden, Estonia, Latvia and Lithuania. This includes customers reached through 58 associated independent savings banks that collaborate with Swedbank. The terms of such collaboration are governed by a common framework agreement which is agreed with the national association of savings banks, Sparbankernas Riksförbund, with each savings bank signing up to this agreement individually. During 2022, eight branches were closed in Sweden, mainly due to changing customer behaviour where customers chose to interact with the Group digitally instead of visiting branch offices.

The Group offers a broad range of products and services, including retail banking, corporate and investment banking, asset management and insurance products, and the majority of the Group's income in 2022 derived from its Swedish banking services. As of December 31, 2022, the Group's loans to customers, amounted to SEK 1,799 billion. The Group recorded SEK 31,806 million in profit before impairments, the Swedish bank tax and resolution fees for the year ended December 31, 2022 and SEK 26,834 million in profit before impairments, the Swedish bank tax and resolution fees for the year ended December 31 2021. Credit impairments for the year ended December 31, 2022 amounted to SEK 1,479 million. Net profit attributable to the shareholders of Swedbank for the year ended December 31, 2022 amounted to SEK 21,877 million and SEK 20,871 million for the year ended December 31, 2021. As of December 31, 2022, the Group had 16,803 full-time employees. As of December 31, 2022, the Group had a ROE of 13.3 per cent, a cost/income ratio of 0.4 and a LCR of 160 per cent.

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

8.2 Strategy

Swedbank's strategy is to provide sustainable value creation for its customers, owners and society. Swedbank focuses on sustainable value creation for its stakeholders and aims for a competitive return on invested capital, solid risk management and compliance, employee engagement, availability 24/7, financially sound and sustainable society and competitive customer satisfaction and brand trust.

8.2.1 A financially sound and sustainable society

We take our role as a major player in the financial market very seriously. Conducting sustainable business and promoting economically, socially and environmentally sustainable development influences everything we do. We also have a major responsibility to facilitate the green transition and reduce our own impact on the climate.

8.2.2 Customer satisfaction and brand trust

We create customer value by providing our customers with relevant products and services based on their needs. Delivering a high level of customer value is critical for sustainable profitability as well as for customer satisfaction, trust and the choice of Swedbank as a financial partner.

8.2.3 24/7 availability

It is our goal to always be there to help our customers when they need us. We continuously work to maintain a stable infrastructure and reliable digital performance to ensure that products and services are available when needed.

8.2.4 Engaged employees

Engaged and proud employees create a better customer experience and therefore more satisfied customers. Our ambition is to be an attractive employer by offering healthy, sustainable working conditions together with an inclusive work environment that reflects our values.

8.2.5 Solid risk management and compliance

Stable and sound risk management affects all parts of our operations and helps us to make well informed sound decision in relation to risk, return and market situation. This is important to maintain the trust of customers, investors and regulators and to remain a stable participant in the financial system. In this way we are able, through deposits from the public and capital markets funding, to continue to lend money to households and businesses at competitive prices, even in times of economic slowdown.

8.2.6 Competitive return on investment with market-leading cost efficiency

A sustainable bank is a profitable bank. We create value for our shareholders through long term, profitable growth and efficiency. By focusing on cost control, automation and digitisation, we can continue to generate a high return on shareholders' equity. We value consistent profitability over fast growth, given that it creates stability and predictability for our customers and owners as well as society at large. Therefore, we seek to avoid short term market trends and instead price our products based on risk and capital requirements. This has helped us to maintain a strong financial performance, which enables us to continuously invest in product and channel development and offer competitive prices.

8.3 Business Segments

The Group is comprised of four business segments.

8.3.1 Swedish Banking

Swedish Banking is the Group's largest business segment, offering a complete range of financial products and services to private customers as well as small and medium-sized companies through 145 branches as well as through digital channels and customer centres. The Group also offers its products through co-operation with 184 additional local associated independent savings banks and

partly-owned banks, as of December 31, 2022. Swedish Banking is supported by a number of subsidiaries in Sweden such as Swedbank Mortgage (responsible for long-term mortgage lending) and Swedbank Robur (fund management and institutional and discretionary asset management). Loans to customers in Swedish Banking represented 71 per cent of the Group's total loans to the public outstanding as of December 31, 2022.

8.3.2 Baltic Banking

Baltic Banking offers a broad range of financial products and banking services, including mortgages, business and consumer loans, savings and current accounts, life insurance and leasing in Estonia, Latvia and Lithuania through 71 branches as of December 31, 2022 as well as through digital channels and customer centres.

The Group holds leading positions in several key market segments in its Baltic home markets.² Loans to customers in Baltic Banking represented 13 per cent of the Group's total loans to the public outstanding as of December 31, 2022. On October 1, 2021, Swedbank implemented changes to Baltic activities governance and control. The wholly-owned Latvian holding company Swedbank Baltics AS became owner of the subsidiary Swedbank AS (Estonia), Swedbank AS (Latvia) and Swedbank AB (Lithuania), which previously were owned by Swedbank AB. In doing this, Swedbank AB formalises the current operating model and clarifies the accountability and responsibility of the Baltic management.

8.3.3 Large Corporates & Institutions

LC&I is responsible for Swedbank's offering to customers with revenues above SEK 2 billion and those whose needs are considered complex due to multinational operations or their need for advanced financing solutions. LC&I is also responsible for developing corporate and capital market products for other parts of Swedbank and the Swedish savings banks. LC&I works closely with customers, who receive advice on decisions that create long-term profitability and sustainable growth. LC&I is present in Sweden, Estonia, Latvia, Lithuania, Norway, Finland, Denmark, China, the United States and South Africa. Loans to the public in LC&I represented 16 per cent. of the Group's total loans to customers outstanding as of December 31, 2022, excluding SNDO and repurchase agreements.

On December 19, 2022, Swedbank announced that Pål Bergström will be stepping down as Head of LC&I and will be leaving Swedbank. Pål Bergström is leaving his position on February 28, 2023. On January 18, 2023, it was announced that Bo Bengtsson has been appointed Head of Large Corporates and Institutions and will become a member of the Group Executive Committee. Bo Bengtsson left Swedbank's Board of Directors on January 18, 2023 and takes up his new position on March 1, 2023.

8.3.4 Group Functions & Other

Group Functions & Other consists of centralised business support units and the customer advisory unit Group Financial Products & Advice. The central units serve as strategic and administrative support and comprise Accounting & Finance, Communication and Sustainability, Risk, Digital Banking & IT, Compliance, Public Affairs, Human Resources and Legal. Group Treasury is responsible for Swedbank's funding, liquidity and capital planning. In addition, Group Treasury sets the prices on all internal deposit and loan flows in the Group through internal interest rates, where the most important parameters are maturity, interest fixing period, currency and need for liquidity reserves.

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

8.4 Products and Services

8.4.1 Mortgage Lending Products

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

The Group, through Swedbank Mortgage, is one of Sweden's leading mortgage lenders with a market share of 22 per cent as of December 31, 2022 and 23 per cent in 2021.³ As of December 31, 2022, Swedbank Mortgage's outstanding Swedish mortgage loan portfolio amounted to SEK 1,116 billion, of which SEK 913 billion derived from private customers. Swedish mortgage lending represented 62 per cent of the Group's total loans to the public outstanding as of December 31, 2022. Both Swedbank and Swedbank Mortgage originate mortgages. Swedbank Mortgage is responsible for the origination of standard mortgage loans with up to an 85 per cent LTV ratio, whereas Swedbank is responsible for originating other loans including uncollateralised loans. The volume-weighted average LTV ratio in Swedbank Mortgage's private residential loan portfolio was 54 per cent as of December 31, 2022, calculated on a property level (which gives effect to multiple mortgage loans on a given property). To benefit customers by offering a broad range of home buying services and reducing costs, while creating the opportunity to acquire profitable new businesses in this segment, the Group creates economies of scale by co-operating with a number of partners including Swedbank's subsidiary, Swedbank Fastighetsbyrå, various home builders and other construction companies.

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

Swedbank Mortgage lends exclusively in Sweden and primarily provides long-term loans secured by first ranking mortgages on existing properties. More than half of Swedbank Mortgage's mortgage loan portfolio consists of loans to owners of single-family homes. It also grants loans for tenant-owner rights, multi-family housing, tenant-owner associations, municipalities, commercial properties and to the agriculture and forestry sector. The volume weighted average LTV ratio calculated on all loans and property types in Swedbank Mortgage was 51 per cent as of December 31, 2022.

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

8.4.2 General Mortgage Loan Features

The mortgage loans originated by Swedbank Mortgage have the following key features:

Purpose of loans – A mortgage loan is typically for the purpose of purchasing or refinancing a property, or renovating homes. Typically, this property will be a primary residence (i.e., a single-family home or a tenant-owner right), but it can also be a vacation home, a multi-family home (including loans to tenant-owner associations) or an agricultural/forestry property. Swedbank Mortgage's portfolio also comprises loans to the public sector.

³ Statistics Sweden (Sw: *Statistiska Centralbyrån*, SCB), 2022-12-31, www.scb.se.

Repayment profile – Mortgage loans may be straight line or serial repayment loans. In certain circumstances, an ‘interest only’ period may be established within the repayment profile, typically at the start of the mortgage loan’s term.

Early repayment – All mortgage loans contain the option for the borrower to make early repayments, in some cases conditional upon payment of interest compensation.

Other fees – Minor fees are charged to the borrower at the origination of the mortgage loan and on each regular payment date (i.e., quarterly or monthly).

Interest accrual – Interest on a mortgage loan accrues daily.

Maturity of a mortgage loan – The term of a mortgage loan may vary from 10 to 60 years, but the typical maturity is 30 years and the historically observed, typical weighted average life of a mortgage loan (which depends on the borrower’s repayment behaviour) is estimated to be 5 to 7 years, depending on the method of calculation.

Consumers’ debt servicing capacity is tested using a model based on the net income and expenses of the borrower’s household, taking into account a stressed scenario for affordability including a substantial interest rate increase (as of 2022, plus three percentage points above the current five-year fixed rate, at a minimum of six per cent). As of September 2015, Swedbank introduced new amortisation guidelines in line with the SFSA’s amortisation requirements which were implemented in June 2016. These amortisation guidelines and requirements include amortisation of 2 per cent annually for LTV ratios over 70 per cent and a 1 per cent amortisation for LTV ratios between 50 and 70 per cent. In addition to these amortisation and LTV thresholds, the SFSA implemented an amortisation requirement applicable as of March 1, 2018 impacting households taking a new mortgage with debt-to-income ratio above 450 per cent. This requirement increases annual amortisation for such mortgages by 1 percentage point above the currently applicable amortisation level. This amortisation requirement was implemented as of March 1, 2018.

Swedbank Mortgage’s loans are distributed by the Group through its approximately 145 branches and the approximately 184 branches of the associated independent savings banks and in certain circumstances also through Swedbank’s digital channels. The Group is also a leading mortgage lender in the Baltic countries, according to the relevant bank association⁴ in each respective country, and the mortgage products the Group offers there are adapted to its client base in the Baltic countries, comprising mainly Baltic homeowners. The main products offered by Baltic Banking include residential loans for home buying or building and loans which are mainly used for renovating and furnishing homes. Both products are continually adapted to meet customers’ needs.

8.4.3 Corporate Banking Products

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

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

⁴ Estonia: Estonian Banking Association; Latvia: Association of Latvian Commercial Banks; Lithuania: Association of Lithuanian Banks.

8.4.4 Investment Banking Products

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

8.4.5 Consumer Lending Products

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

8.4.6 Savings and Investment Products

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

8.4.7 Payment Services

The Group offers a broad range of payment products, including debit, transaction services and card infrastructure and, as of December 31, 2022, the Group had 8.3 million bank cards in circulation. In retail transactions, the Group emphasises convenience and time saving by making automatic payment options available to the Group's customers through direct debit or other electronic channels, such as e-bills or mobile and card payments. For corporate cash management, the focus is on offering clients a packaged, integrated solution. To meet the increased competition and the shift in customer preferences from brick-and-mortar to e-commerce, the Group has developed a new full-service offer, Swedbank Pay, which brings together products and services from Swedbank and PayEx under a single brand in the Nordic market. Through Swedbank Pay, the Group helps companies both large and small to conveniently accept payment from their customers, through credit cards, e-commerce or in stores.

8.5 Information Technology

8.5.1 Overview

Swedbank operates a federated information technology ("IT") delivery model. Application development and maintenance is distributed into individual Business Areas and Group Functions, whereas responsibility for core infrastructure and operations of IT services is located in the Group Channels and Technology unit, with the Chief Information Officer function being responsible for group-wide governance of IT delivery. In 2023 Swedbank will build on the foundational work completed in 2022 taking Swedbank to the next level in its agile transformation by implementing long-lasting and stable end-to-end portfolios, strengthening portfolio steering and implementing standardised approaches to working across the Group. Swedbank IT serves the Group in Sweden and the Baltic countries and provides IT services to associated independent savings banks in Sweden that cooperate with the Group and offer mortgage loans funded by Swedbank Mortgage. The main data centres are located in Sweden and Estonia and contain sufficient back-up storage.

Swedbank has set an ambitious target to be one step ahead of cyber threats. Swedbank's information security initiatives are led by Swedbank's Chief Information Security Officer ("CISO"). The CISO is supported by the centrally established Group Information Security function ("GIS") with responsibility for leading and coordinating information security, centred around a group-wide information security

strategy, information security instruction and information security management system, primarily aligned to ISO 27001, ISF SOGP and EBA/GL/2019/04. Information security responsibility is operated in a federated manner by key contributors in the Anti-Financial Crime Unit (“AFC”) and Group Channels and Technologies, as well as by appointed professionals in all business areas, group functions and material subsidiaries. Information security is a high-priority area for Swedbank to ensure stable infrastructure, reliable digital performance and products and services to be available on demand. With increasing digitalisation, digital vulnerabilities are increasing, particularly related to new types of online and cloud services.

The organisation is business-driven and delivers IT services based on service agreements with the business side of the Group. IT infrastructure and operation services are organised to ensure economies of scale, efficiency, availability and to reduce operational risk. Special functions are defined to work on IT governance issues such as the IT strategy, IT architecture and IT agile way of working. The Group uses hardware and software provided by different vendors. The Group complements its internal resources by employing IT consultants and specific Outsourcing Service Agreements.

To increase customer satisfaction, the Group aims to improve its ability to offer products and services appropriate to meet the needs of each customer group. For customers in need of less complex financial advice, the Group aims to provide relevant, simple and effective offerings, primarily through its electronic channels. In particular, the Group aims to improve internet, mobile and telephone banking services in an effort to make routine banking services simpler and more efficient, and thereby making them more cost efficient for the Group. In response to changing technologies, customers’ habits have changed, which has impacted the traditional role of the bank branch.

During 2022, the impact of the COVID-19 pandemic lessened on Swedbank operations in our home markets. Strengthening remote availability of our services has remained in focus. Swedbank has embraced hybrid ways of working. The remote access and ongoing digital transformation have raised certain information security threats including cyber risk and external fraud risk, requiring the implementation of new and improved ways of protection.

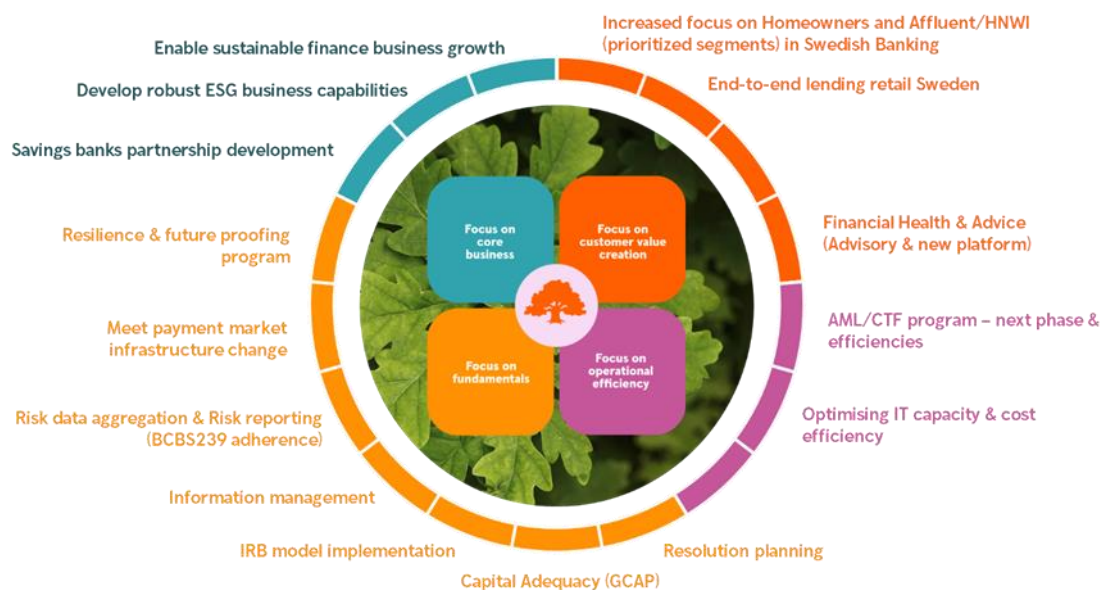
Customers can satisfy most of their routine banking requirements without visiting physical branch through alternate channels such as ATMs, debit cards, telephone banking, the internet and mobile devices. The Group’s digital bank services have approximately 5 million digitally active customers. Through information and a differentiated pricing model, the Group intends to make it easier for customers to select the most effective way to communicate with Swedbank for a variety of matters, as evidenced, for example, by a number of new digital functions launched by Swedbank in recent years, which make everyday banking easier for customers.

4.5.2 IT Strategy and Key Initiatives

“**Swedbank Tech Strategy**” supports the Group’s business strategy from a technical and IT perspective. The tech strategy outlines four strategic focus areas, as summarised in the picture below. The most important overarching objective will be to reduce complexity in both our infrastructure, in the application landscape and in the way we operate. Each focus area highlights either important strategic activities or capabilities that need to be strengthened or built, enabling us to deliver on the Group Strategic Direction and targets. An ambitious but necessary target state is set to maintain our position in our home markets which will require a collaborative effort across the bank and a common Group agenda.



The IT investment agenda for the full year 2023, in the amount of approximately SEK 3.2 billion, is designed to support the Group’s ongoing strategic transformation as outlined in Swedbank’s Group strategy and the Swedbank Tech Strategy. The planned investments in 2023 centre around the Group’s strategic focus areas. The digitisation efforts to improve our customer experience and offering also forms a substantial component of the IT agenda.



Swedbank invests significant resources to prevent violations, misuse of existing and new technology, cyber threats and fraud to protect both customers’ and Swedbank’s information. Swedbank has also increasingly focused efforts to test its information security and cyber resilience capabilities by regularly carrying out proactive security testing, such as penetration testing for critical and new applications, systems and infrastructure, as well as advanced simulation tests, so-called “red-teaming” tests. Swedbank’s strategic direction states the importance of working with information security to support business goals and change, manage risk and to strengthen governance and compliance. Going forward, Swedbank plans to invest resources in further strengthening its digital and operational resilience to serious cyber-attacks against Swedbank and its third-party suppliers.

Swedbank’s market share in its home markets makes maintaining cybersecurity a necessity. Swedbank also takes on a sustainable position beyond mere compliance and contributes to a sound and secure digital environment in its home markets by putting a high priority on sharing security intelligence and security knowledge with peers and authorities.

In February 2020, the Group initiated a resilience program to ensure long term resilience against systems disruptions. By the end of 2022, the prioritized initiatives introduced a set of essential prerequisites needed to close critical resilience gaps and to build solutions that help increase efficiency

in management of resiliency related risks. Additional controls have been added to the investment planning process to ensure that activities related to the adoption and migration to new infrastructure, platforms and tools delivered within the resilience program are prioritized in the relevant portfolios. The program will continue to monitor and follow-up on deliveries, in particular the completion of improvements in focus areas such as:

- Core infrastructure/network resilience to lay the foundations for our infrastructure target state with a new fault tolerant network and upgrading our compute and storage set-up;
- Infrastructure service standardization, to reduce complexity and drive self-service adoption and cost transparency.
- Deployment of integrated delivery pipelines enabling continuous delivery and continuous integration (“CI/CD”) practices in line with best market practice;
- Establishment of test automation and quality assurance capabilities to minimize manual interventions and improve quality, productivity and time-to-market;

8.6 Related Party Transactions

During the year ended December 31, 2022, normal business transactions were executed between companies in the Group, including other related companies and affiliates. Significant affiliates include five partly owned saving banks. Other significant relationships are with Swedbank’s pension funds foundation and Sparinstitutens Pensionkassa SPK, which safeguard the post-retirement benefits of the employees in the Swedish entities within the Group. They rely on Swedbank for traditional banking services. For additional information, please see note G54 in the audited consolidated financial statements of the Group as of and for the year ended December 31, 2022 incorporated by reference in this Base Prospectus.

8.7 Legal Proceedings

In February 2019, the television program “Uppdrag granskning,” broadcast by the Swedish public broadcaster Sveriges Television, alleged that customers who may have been involved in money laundering transferred significant sums of money through the Group's Baltic subsidiaries. The Group has conducted a broad investigation in relation to these allegations. In addition, authorities in Sweden, the Baltics and the United States have been, and in certain cases, are still conducting investigations regarding the Group’s historical compliance with applicable anti-money laundering and sanctions laws and regulations.

The SFSA and the EFSA conducted separate but close investigations into money laundering allegations at the Group, as well as related issues involving the Group’s anti-money laundering controls, procedures and governance.

8.7.1 SFSA Investigation

The SFSA investigation into Swedbank AB’s governance of anti-money laundering measures in the Baltic operations launched in April 2019 and included the period 2015 to the first quarter of 2019. The SFSA investigation into Swedbank AB’s compliance with Swedish legislation regarding anti money laundering and terrorism financing was initiated in November 2018 and covered the period April to November 2018, focusing on business risk assessment, risk classification of customers, policies and instructions, know-your-customer files, transaction monitoring and reporting of suspicious activities to external investigative bodies. The investigation was limited to traditional high risk customer categories such as politically exposed persons and private-banking customers. The Group replied to the SFSA’s

requests for comment on preliminary observations and conclusions, concurring with many of their observations and conclusions. On March 19, 2020, the SFSA announced that in relation to Swedbank's Swedish operations, Swedbank has deficiencies in its risk classification of customers and its transaction monitoring and concluded that Swedbank has not met the anti-money laundering requirements in its Swedish operations. The SFSA also announced that Swedbank had large deficiencies in its governance of the risk of money laundering in its Baltic operations, finding its processes, routines and control systems insufficient; and noted that the Baltic subsidiaries lacked adequate resources to combat money laundering. The SFSA stated that despite internal and external reports warning about deficiencies in the Baltic operations and the risk of money laundering, Swedbank did not take proper and sufficient action. In addition, the SFSA noted that in their opinion, in some instances, Swedbank withheld documentation and information and in one case, in March 2019, Swedbank provided the SFSA with false information. As a result of the investigation, the SFSA issued Swedbank a warning and an administrative fine of SEK 4 billion. Swedbank announced that it accepted the decision of the SFSA and paid the fine in 2020, for both the investigation regarding Swedish Banking anti-money laundering and counter-terrorist financing processes, initiated in 2018 and the investigation regarding Swedbank's internal control and governance of anti-money laundering measures in the Baltic operations, initiated in 2019.

8.7.2 EFSA Investigation

The EFSA's investigation was conducted from April to mid-November 2019 and assessed the set-up of the anti-money laundering organisation of Swedbank's Estonian subsidiary, the activities of management and staff in combatting money laundering and terrorist financing, the identification, analysis, management and mitigation of risks and the application of due diligence measures during the establishment of business relationships and the provision of services. The Group replied to the EFSA's requests for comment on preliminary observations and conclusions, concurring with many of their observations and conclusions. On March 19, 2020, the EFSA announced that the Estonian subsidiary had severe deficiencies in its anti-money laundering risk control systems and that the bank failed to meet anti-money laundering requirements, noting examples of where the subsidiary withheld information during the investigation. The EFSA issued a precept that obliges Swedbank's Estonian subsidiary to take comprehensive measures to properly understand and mitigate past and current risks. In addition, the Estonian subsidiary must review and amend its organisational framework to more effectively manage risks, change its practices in understanding client activities and must review practices for reporting suspicious transactions to the appropriate external investigative body and operational risk to EFSA. On November 19, 2020, Swedbank AS submitted a final report describing the actions taken to comply with the EFSA precept. On January 28, 2021, EFSA informed Swedbank AS that it considered activities and evidence delivered under the final report adequate and did not require additional remarks. EFSA will follow up on implementation activities as part of regular supervisory inspections. The Estonian state prosecutor's office launched a parallel criminal investigation into the Estonian subsidiary to determine whether money laundering or other criminal acts occurred but has not disclosed a timeframe as to when it expects to announce a decision. As in many other countries, double jeopardy is not permitted in Estonia, and therefore the EFSA terminated its own misdemeanour investigation into the Estonian subsidiary in November 2019 to allow the prosecutor to continue with its criminal investigation. On March 24, 2022, Swedbank AS was informed by the special investigator of white-collar crime at the Estonian Central Criminal Police that Swedbank AS is suspected of money laundering during the period from 2014 to 2016. If the Estonian Prosecutor's Office finds evidence of money laundering or other criminal acts, it could charge individuals or Swedbank AS with criminal liability, which could include imprisonment for convicted individuals or a fine of up to EUR 16 million per conviction. Swedbank AS continues to review and monitor the situation and is continuing cooperation with the relevant authorities.

8.7.3 Other investigations

In March 2019, EBM also launched an investigation into whether any crimes were committed in connection with the disclosure of information. EBM conducted a search and seizure of the Group's premises to determine whether any crimes were committed. In April 2019, EBM clarified that it is not proceeding with allegations against any individuals regarding alleged money laundering during the period of 2006-2012. The EBM concluded its investigation begun in 2019 and the prosecutor's office filed charges against the former CEO on January 4, 2022. On January 25, 2023, the former CEO was acquitted of all charges giving the prosecutor three weeks to decide if the verdict should be appealed. On February 15, 2023, the Chief Prosecutor and Deputy Chief Prosecutor decided to appeal the Stockholm District Court's acquittal verdict from January 25, 2023. The case will be tried by the Court of Appeals. The EBM has not filed any charges against Swedbank.

The ECB also initiated an investigation of the Group's operation in the Baltic countries. The ECB completed their investigation and the Group is implementing a number of remedies regarding governance, including control of subsidiaries.

In addition to the investigations regarding anti-money laundering controls, U.S. authorities, including the DOJ, SEC, OFAC and DFS, are continuing to investigate Swedbank's historical anti-money laundering and counter-terrorism financing work and historical information disclosures.

These investigations are ongoing and Swedbank has been holding individual discussions with the relevant authorities through its U.S. legal advisors. As the investigations are at different stages, Swedbank cannot determine at this time when the investigations will be completed, however, Swedbank has made a provision of SEK 40 million for potential financial impacts related to OFAC's investigation.

Based on findings as a result of the Clifford Chance LLP investigation, discussed below, the Group notified OFAC on March 11, 2020 of 586 (which figure was corrected to 540 in December 2020) transactions amounting to approximately USD 4.8 million (which figure was corrected to USD 4.5 million in December 2020) which constitute potential OFAC violations. 95 per cent. of the transactions were processed by the Group in the 2015 – 2016 period. Of the 586 transactions, 508 transactions constitute salary payments and payments associated with the operation of a vessel whose owner and operator are located in Crimea and used Swedbank in the Baltics. The Clifford Chance investigation included all USD denominated transactions from the three Baltic subsidiaries in Estonia, Latvia and Lithuania, processed through the U.S. financial system during the period March 22, 2014 through March 22, 2019.

On August 26, 2022, Swedbank made a full voluntary disclosure to OFAC regarding goods of Iranian origin related to transactions from 2017 and 2018.

On September 18, 2020, Swedbank received notification from the SFSA that it was investigating Swedbank for suspected historical breaches of MAR. The investigation encompasses the period from September 20, 2018 to February 20, 2019 and pertains to disclosure of insider information and the obligation to establish an insider list (Articles 17 and 18) in connection with the disclosure of suspected money laundering within the bank. On October 26, 2021, the SFSA notified Swedbank that it closed its investigation with no comment.

In May 2021, the Nasdaq Stockholm Disciplinary Committee ordered Swedbank to pay a fine corresponding to twelve times the annual fee, or a total of SEK 46.6 million, in relation to historical shortcomings occurring during the period December 2016 to February 2019.

On July 1, 2022, Swedbank received a claim from the Swedish Pensions Agency concerning Swedbank's role as custodian bank for the Optimus High Yield 2012-2015 fund. The claim concerns a ten-year-old matter and was not preceded by any correspondence or information from the Swedish Pensions Agency. The claim is set at SEK 4 billion. Swedbank has been allocating resources to handle the matter and provide a response to the Swedish Pensions Agency, but has not made any accounting provision related to the claim. On August 18, 2022, Swedbank responded to the Swedish Pensions Agency disputing the claim. Since August 18, 2022, there has been ongoing correspondence between Swedbank and the Swedish Pensions Agency.

In April 2022, Swedbank experienced a serious IT incident in connection with a system update. The incident caused incorrect balances to be shown in customers' account statements and subsequent payment problems while also affecting the availability of the bank's services. Swedbank takes what occurred seriously and has taken extensive action to prevent similar events from occurring. On March 15, 2023, Swedbank announced that it had received an administrative fine of SEK 850 million from the SFSA regarding the incident. The SFSA remarked that Swedbank had made a change to an IT system without following Swedbank's internal procedures and processes.

8.7.4 Clifford Chance Investigation

In February 2019, the Group hired an external law firm, Clifford Chance LLP, to lead an internal investigation to confirm facts and circumstances linked to historical shortcomings in Swedbank's anti-money laundering systems and controls from January 2007 through March 2019. The investigation included, among other things, a review of Swedbank and its global network of branches, as well as relevant wholly-owned subsidiaries. The investigation also covered customers, transactions and how the Group handled internal and external information disclosures. In total, over 30 billion transactions made between 2007 and March 2019 were included in the investigation, of which 15 billion were from Baltic Banking. The investigation also included an assessment of potential non-compliance by the Baltic subsidiaries or their customers with OFAC sanctions.

The investigation was presented to the Board and parts of the Group's management on March 21, 2020 and released to the public on March 23, 2020. The broad investigation included billions of transaction records, approximately 160 million customer records and over 38 terabytes of electronic and scanned hard copy data. Clifford Chance also conducted nearly 100 interviews of 81 individuals, including current and former employees, managers and senior executives, current and former Board members and external counsel. Steps were taken to ensure compliance with applicable privacy, bank secrecy, employment and other relevant legal regimes.

The investigation also included an assessment of potential sanctions breaches in the Baltic subsidiaries, including approximately 26.6 million transaction messages and 1.8 million USD-denominated payments during a five-year period from March 22, 2014 through March 22, 2019. Of these transactions, the investigation identified 582 transactions (totalling approximately USD 4.76 million), processed by the Baltic subsidiaries that may not have complied with OFAC blocking sanctions or country embargos. None of the 582 transactions involved any OFAC-listed persons, and nearly all of them occurred prior to 2017, when the Baltic subsidiaries implemented an automated payment screening solution.

Governance

The investigation did not conclude that Swedbank engaged in money laundering or processed customer transactions that constituted the proceeds of crime. Among other things, this would require definitive knowledge of a customer's source of funds, which was not available. However, the investigation revealed that the Group, throughout the period from January 2007 to March 2019, and to varying degrees across LC&I, Swedish Banking and Baltic Banking had inadequate systems and

controls to ensure proper management of anti-money laundering and economic sanctions risks from its customer base, thus exposing Swedbank and the Baltic subsidiaries to significant anti-money laundering and sanctions risk. The risk was most prevalent in the Baltic subsidiaries, primarily in Estonia from its HRNR business. From before 2007 until 2016, Swedbank's subsidiaries in Estonia and Latvia actively pursued high risk customers as a business strategy. For example, despite a special committee in the Estonian subsidiary to review customer on-boarding and maintenance of HRNR customers, the committee approved high risk customers without having complete documentation regarding the ultimate beneficial owners, proof of funding sources or explanation of legitimate business purposes and did not address red flags that arose from the information provided. Some corporate customers had complex and opaque ownership structures involving off-shore entities organized in low tax jurisdictions, as well as ownership through foreign trusts and similar vehicles for which the ultimate beneficial owners were difficult to verify. The Estonian subsidiary also accepted certain customers despite awareness amongst employees, including relationship managers, that the listed beneficial owners were not the actual ultimate beneficial owners, or where the prospective customer refused to provide verifiable beneficial ownership information. In addition, the deficiencies in the Group's anti-money laundering systems and controls were not limited to the Baltic Banking, as certain of these high-risk customers in Baltic Banking were allowed to open accounts in the Group's other business areas in Sweden, Swedish Banking and LC&I. These customers have since been offboarded. Overall, the investigation showed that during the period 2014 to 2019, the Baltic subsidiaries conducted transactions (approximately EUR 17.8 billion in payments to customer accounts; approximately EUR 18.9 billion in payments from customer accounts) that represented a high risk for money laundering.

Accountability

Although Swedbank has attempted to enhance its compliance control and risk management systems in the Baltic subsidiaries since 2016, the investigation found that these efforts were impeded by a number of governance failings. For example, Swedbank's senior management historically failed to establish clear lines of anti-money laundering responsibilities, particularly as between the business (first line of defence) and the Group's compliance function (second line of defence), or to ensure that the Group's compliance function could successfully challenge the decisions of the business. In addition, Swedbank's former CEOs appeared to lack adequate appreciation for the severe risk posed to the Group by the HRNR business in Baltic Banking. In particular, Swedbank failed to adopt a Group-level anti-money laundering risk appetite statement until 2017 and did not take steps to ensure a consistent approach to risk rating customers across business lines. In addition, the investigation found that because Swedbank's senior management failed to appreciate the degree of legal and reputational risk to Swedbank, management did not always engage with the Board in a manner consistent with the importance of these issues. The investigation did not find evidence that either the Board, Risk and Capital Committee or the Audit Committee were adequately informed of the degree of legal and reputational risk posed by these deficiencies arising from the high-risk customer base that the Baltic subsidiaries had serviced historically. Nevertheless, several Group internal audit reports (from 2015 through early 2017) to the Board and the Audit Committee gave the Board notice of the prospect of regulatory sanctions or elevated reputation risk arising from identified deficiencies in the Baltic subsidiaries with respect to weak sanctions screening data, insufficient KYC processes and transaction monitoring and defects in the payments screening process. Notwithstanding these warnings, the Board did not take action to manage anti-money laundering risk in the Baltics commensurate with the degree of legal and reputational risk presented. The investigation found little evidence of any substantive discussion of these issues at the respective Board or Audit Committee meetings. Therefore, while the Board was not adequately apprised by management of the full extent of the risk posed by the anti-money laundering deficiencies in the Baltics, the Board also did not act adequately to manage and control the risk of money laundering (of which it was made aware).

Interactions with Regulators

The investigation also noted that in certain instances, Swedbank's responses to regulators regarding anti-money laundering-related topics were not always actively transparent, including de-emphasizing negative information or employing a narrow or literal reading of certain requests. In considering accountability, the investigation concluded that the three former CEOs who served during the relevant investigation period, the Board and certain employees (including senior managers to relationship managers) all contributed to Swedbank's failure to recognise and manage the significant legal and reputational risk to Swedbank posed by its HRNR portfolio in the Baltic subsidiaries.

Public Disclosures

The investigation also considered the completeness and accuracy of Swedbank's public disclosures concerning anti-money laundering compliance and related issues. Specifically, Clifford Chance reviewed public statements made by Swedbank and its executives from January 2014 through March 2019, including for example, interim and annual reports issued by Swedbank and associated materials, other statements and presentations in communications with investors, analysts, and the financial community, corporate debt offering documents and media appearances and publications. When considered in light of the facts developed in the investigation, certain statements made during October 2018 and February 2019 by Swedbank and its executives concerning Swedbank's historical anti-money laundering compliance, then current anti-money laundering compliance, and exposure to certain types of anti-money laundering risk, were inaccurate or presented without sufficient context.

Remediation

As part of its ongoing response to the money-laundering investigations, the Group created a new Special Task Force led by former Head of Group Treasury Tomas Hedberg, who reports directly to the CEO. Since the Clifford Chance investigation began in early 2019, the Group has taken a number of actions to remedy shortcomings and ensure a sustainable corporate governance in Swedbank.

An action plan was introduced in October 2019 to manage the identified shortcomings. In January 2021, the anti-money laundering and counter-terrorism financing activity list was closed and replaced by the AML/CTF and Sanctions Transformation Program with the focus of reaching the stated target of being at the forefront of the fight against financial crime. Remaining activities have been mapped to the new program. The improvements made in 2020 through 2022 as a result of the action plan have laid the foundation for Swedbank's ongoing commitment to international best practices and its goal of implementing effective and efficient processes to fight financial crime.

Over the course of 2019 and 2020, Swedbank appointed a new CEO and a mostly new management team as well as elected new Board members. Under this new leadership team, Swedbank has focused on transforming its approach to anti-money laundering and counter-terrorist financing and sanctions policies and procedures, creating new roles, appointing new personnel, increasing resources, revising and strengthening policies and procedures and taking steps to continue the process of de-risking its customer portfolio including in the Baltic subsidiaries.

As of March 23, 2020, and as a result of external investigations conducted by the SFSA, the EFSA and the Group's internal investigation into allegations of anti-money laundering and potential sanctions breaches, the Board also decided to unilaterally cancel severance payments to the former CEO (which were originally planned to start March 29, 2020). In addition, Swedbank's Board of Directors previously appointed external legal advisors to investigate liability issues relating to the former CEOs and Board members identified in Clifford Chance LLP's March 2020 report. Based on the findings of these investigations, as well as an analysis of the legal circumstances and other relevant considerations, the likelihood of success of any claim for damages against the former CEOs and Board members was deemed to be extremely low. Therefore, on February 25, 2021, the Board of Directors decided not to

file claims for damages against the former CEOs and Board members in relation to matters covered in the Clifford Chance LLP report.

As part of these ongoing de-risking and remediation efforts, and with input from Clifford Chance, Swedbank and its Baltic subsidiaries have (a) embarked on a much more comprehensive approach and remediation plan to address and to strengthen the anti-money laundering/counter-terrorist financing and sanctions frameworks; (b) undertaken a review of Swedbank's corporate governance; (c) engaged external consultants to assist in remediation efforts; (d) increased anti-money laundering/counter-terrorist financing resources; (e) initiated a compliance transformation program; (f) performed a cultural assessment and started implementation of necessary changes and (g) continued to off-board customers who do not meet Swedbank's risk appetite.

Quality Assurance – Compliance Function

During 2020, the Group completed an evaluation of the Group's overarching structure to manage compliance risks and benchmark Swedbank's processes against industry-leading standard. The evaluation identified a number of areas for improvement, which are currently being addressed.

Quality Assurance – Corporate Culture

During 2020, an internationally recognised consulting firm completed an extensive analysis of Swedbank's corporate culture. The evaluation served as the basis of comprehensive work to improve corporate culture, including empowering employees and creating clear metrics on performance.

Quality Assurance – Corporate Governance

An evaluation of the Group's internal governance and control was conducted in 2020. Swedbank's CEO has overarching responsibility for the project, which is managed by the Group's Chief Legal Officer. The project was finalised in January 2021. Important aspects of the project included a comprehensive review of the corporate governance framework within the Group to ensure that governance and control in Baltic Banking was strengthened within the subsidiary banks and the parent company. Swedbank also implemented a mandatory training programme on corporate governance for, among others, senior executives, board members in major subsidiaries and employees who are involved in the corporate governance process, with the goal of increasing awareness among employees of the importance of an improved culture with respect to combating financial crime.

As part of the comprehensive review of the corporate governance framework, Swedbank implemented changes to the governance of its Baltic operations in October 2021. After approval by the European Central Bank and relevant supervisory authorities, the ownership of the subsidiary banks in Estonia, Latvia and Lithuania was placed in the holding company Swedbank Baltics AS, which is wholly owned by Swedbank AB. Swedbank AB formalised the current operating model while increasing the accountability and responsibility of the Baltic Banking management. The governance changes do not have any impact on Swedbank's customers.

The Board of Directors plays an active role in the governance oversight through the Governance Committee formed at the beginning of 2020.

8.7.5 Auditor Recommendations

The Group's independent auditor, PwC, also audited administration of the Group's Board of Directors and the Managing Directors. Based on their findings and factoring that the various investigations were not complete, PwC recommended that the shareholders not discharge the former CEO from liability. Similarly, due to potential financial consequences such as fines, withdrawn licenses, restrictions on

currency trading and other sanctions, PwC considered the extent to which any deficiencies in regulatory compliance may have affected the financial statements of the annual report. This included accounting and disclosure regarding reserves and contingent liabilities.

Swedbank has not allocated any provisions for fines or penalties. Current accounting rules provide that the Group is able to determine with a high probability the size of any fines or penalties before a provision can be allocated, and this has not been possible to date.

8.7.6 DFSA Requirements

On November 25, 2021, the DFSA, as part of its regular supervision, announced that Swedbank's Danish branch must adapt its internal anti-money laundering and counter-terrorism financing routines and processes to fully comply with local regulations. Swedbank is currently adapting its processes and routines in Denmark in accordance with the DFSA's decision.

8.8 Employees

As of December 31, 2022, the Group had 16,803 full-time employees. The table below sets out the number of employees employed for the years indicated.

	As of December 31,		
	2022	2021	2020
Full-time employees	16,803	16,565	16,213

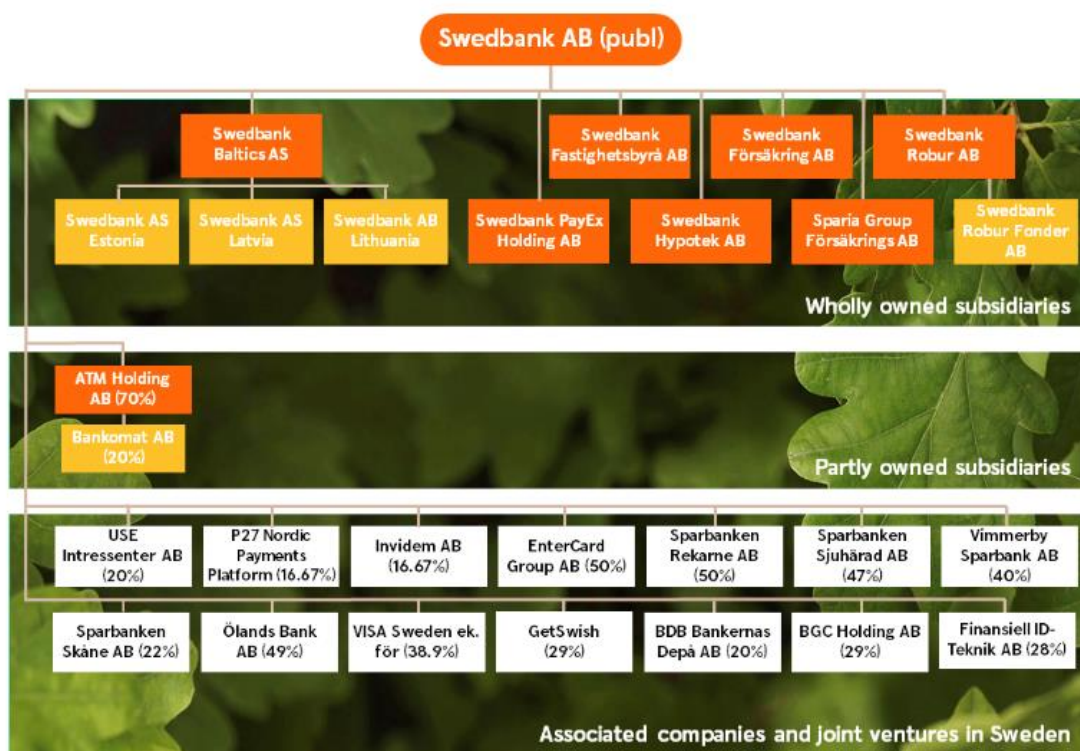
In 2022, LC&I decreased employee numbers by 42, Swedish Banking decreased employee numbers by 50, Baltic Banking increased employee numbers by 77 and Group Functions & Other increased employee numbers by 253. 72 per cent of the Group's employees were governed by collective bargaining agreements as of December 31, 2022. The Group maintains continuous and active dialogue with its employees and representatives and believes that its relations with its employees are good. There have been no significant strikes or mutual work stoppages in the past three years.

8.9 Key Geographic Markets and Competition

The Group currently operates in four geographic home markets: Sweden, Estonia, Latvia and Lithuania. The Group faces a variety of competition in these markets. In addition to traditional competition from Nordic and Baltic banks, fintech and other new market entrants are increasingly attempting to gain market recognition. As Nordic banks and niche players strengthen their positions within segments, the banking market has become increasingly consolidated.

To support business in these markets, the Group has established branches in neighbouring markets such as Finland and Norway, as well as in major markets of financial importance such as in the United States (where the Group has a branch) and China (where the Group has a branch). Additionally, the Group is represented in Spain and South Africa. The Group's offices in Luxembourg have been closed, but are still in the process of being phased out. In addition, following its strategic review of its international process, Swedbank will close its South African office and will close its Danish banking operations, to be replaced by a collaboration with Sydbank to support the Group's corporate customers.

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



8.9.1 Sweden

The banking sector is fairly concentrated in the Group's home market of Sweden. In 2022, the Group, Svenska Handelsbanken, Nordea and SEB accounted for approximately 60 to 75 per cent of deposits and lending (adjusted for Stabelo, Svensk Hypotekspension and Hypoteket), according to Statistics Sweden. These major banks offer a wide range of financial products and services and compete in all key product segments. In Sweden, the Group is the largest retail bank and has a leading market position in private mortgage lending (22 per cent) and deposits from private customers (18 per cent) as of December 31, 2022. The Group believes that consumers have been more willing to change banks in recent years due to pricing and a sense of stability. During the past year, the major banks have become more competitive, thus regaining market share from smaller players.

8.9.2 Estonia

The Estonian banking sector is even more concentrated than Sweden's. The market is dominated by foreign banks. In Estonia, the Group had a market share of 48 per cent for private deposits and 42 per cent for private lending as of November 31, 2022. In the Estonian corporate market, the Group's market share was 34 per cent for lending and 39 per cent for deposits as of November 31, 2022.⁵

8.9.3 Latvia

Latvia has a more fragmented market where local banks account for a significant portion of the various segments. As of September 31, 2022, the Group had a market share of 38 per cent of private deposits and 35 per cent of private lending. In the corporate market, the market share was 28 per cent for deposits and 19 per cent for lending as of September 31, 2022.⁶

⁵ Estonian Banking Association.

⁶ Association of Latvian Commercial Banks.

8.9.4 Lithuania

Like Sweden, the banking market in Lithuania is dominated by a few major players. As of September 31, 2022, the Group had a market share of 45 per cent⁷ of private deposits and 39 per cent of private lending. In the corporate market, the Group's share was 22 per cent. for lending and 30 per cent for deposits as of September 31, 2022.⁸

⁷ Association of Lithuanian Banks.

⁸ Association of Lithuanian Banks.

9. Selected Financial Information

9.1 Selected Financial Information

The selected financial data for 2022, 2021 and 2020 provided below have been derived from the audited consolidated financial statements of the Group as of and for the years ended December 31, 2022, 2021 and 2020 incorporated by reference in this Base Prospectus. The data set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and with the audited consolidated financial statements incorporated by reference in this Base Prospectus. The consolidated financial statements also apply recommendation RFR 1 Complementary accounting rules for groups, issued by the Swedish Financial Reporting Board, the pronouncements of the Swedish Financial Reporting Board, certain complementary rules in the Annual Accounts Act for Credit Institutions and Securities Companies and the regulations and general advice of the SFSA, FFFS 2008:25.

SEK million	For the year ended December 31,		
	2022	2021	2020
INCOME STATEMENT DATA			
Interest income	45,298	30,364	33,791
Interest expenses.....	(12,141)	(3,316)	(6,075)
Net interest income	33,157	27,048	27,716
Net commission income.....	14,223	14,853	12,770
Net gains and losses on financial items.....	1,887	2,048	2,655
Net insurance.....	1,655	1,457	1,518
Share of profit or loss of associates and joint ventures	738	976	582
Other income	1,561	1,299	1,298
Total income	53,221	47,681	46,539
Staff costs.....	13,246	12,739	11,873
Other general administrative expenses	6,474	6,477	7,107
Depreciation/amortisation of tangible and intangible fixed assets.....	1,695	1,631	1,580
Administrative fine	—	—	4,000
Total expenses	21,415	20,847	24,560
Profit before impairments, Swedish bank tax and resolution fees	31,806	26,834	21,979
Impairments of intangible assets.....	1,125	56	—
Impairments of tangible assets.....	13	—	2
Credit impairments.....	1,479	170	4,334
Swedish bank tax and resolution fees	1,831	791	863
Profit before tax	27,358	25,817	16,780
Tax expense	5,478	4,945	3,851
Profit for the year	21,880	20,872	12,929
Profit for the year attributable to Shareholders in Swedbank AB	21,877	20,871	12,929
Non-controlling interests	3	1	0

SEK million	As of December 31,		
	2022	2021	2020
BALANCE SHEET DATA			
Assets			
Cash and balances with central banks	365,992	360,153	293,811
Treasury bills and other bills eligible for refinancing with central banks, etc.	151,483	163,590	137,191
Loans to credit institutions.....	56,589	39,504	47,954
Loans to the public.....	1,842,811	1,703,206	1,680,987
Value change of interest hedged item in portfolio hedges of interest rate risk.....	(20,369)	(1,753)	1,774
Bonds and other interest-bearing securities	61,298	58,093	59,975
Financial assets for which customers bear the investment risk.....	290,678	328,512	252,411
Shares and participating interests	8,184	13,416	17,215
Investments in associates and joint ventures	7,830	7,705	7,287
Derivatives.....	50,504	40,531	52,177
Intangible assets.....	19,886	19,488	18,361
of which goodwill.....	13,774	13,501	13,327
Tangible assets	5,449	5,523	5,421
Current tax assets.....	1,449	1,372	1,554
Deferred tax assets.....	159	113	124
Pension assets	2,431	—	—
Other assets	8,474	9,194	16,483
Prepaid expenses and accrued income.....	2,028	1,970	1,917
Total assets	2,854,876	2,750,617	2,594,642
Liabilities and equity			
Liabilities			
Amounts owed to credit institutions	72,826	92,812	150,313
Deposits and borrowings from the public.....	1,305,948	1,265,783	1,148,240
Financial liabilities for which customers bear the investment risk.....	291,993	329,667	253,229
Debt securities in issue.....	784,206	735,917	732,814
Short positions securities.....	27,134	28,613	23,300
Derivatives.....	68,679	28,106	54,380
Current tax liabilities.....	1,811	672	424
Deferred tax liabilities.....	3,599	3,398	2,784
Pension provisions.....	168	1,801	3,665
Insurance provisions	2,041	1,970	1,859
Other liabilities and provisions.....	26,944	28,933	30,610
Accrued expenses and prepaid income.....	4,664	4,813	4,038
Senior non-preferred liabilities.....	57,439	37,832	10,359
Subordinated liabilities	31,331	28,604	23,434
Total liabilities	2,678,784	2,588,921	2,439,449
Equity			
Non-controlling interests	29	26	25
Equity attributable to the shareholders of Swedbank	176,064	161,670	155,168

<u>SEK million</u>	As of December 31,		
	2022	2021	2020
Total equity.....	176,092	161,696	155,193
Total Liabilities and Equity.....	2,854,876	2,750,617	2,594,642

<u>SEK million</u>	For the year ended December 31,2022		
	2022	2021	2020
CASH FLOW STATEMENT			
Cash and equivalents at beginning of the year.....	360,153	293,811	195,286
Cash flow from operating activities.....	(18,620)	49,409	109,237
Cash flow from investing activities.....	691	628	1,383
Cash flow from financing activities	10,015	14,151	(8,698)
Cash flow for the year.....	(7,914)	64,188	101,922
Exchange rate differences on cash and cash equivalents.....	13,753	2,154	(3,397)
Cash and cash equivalents at end of the year	365,992	360,153	293,811

	As of or for the year ended December 31,		
	2022	2021	2020
KEY RATIOS¹			
Return on equity.....	13.3%	13.2%	8.9%
Earnings per share, SEK.....	19.48	18.62	11.55
Earnings per share after dilution, SEK.....	19.43	18.56	11.51
Cost/income ratio.....	0.40	0.44	0.54
Equity per share, SEK.....	156.8	144.2	138.5
Common Equity Tier 1 capital ratio	17.8%	18.3%	17.5%
Tier 1 capital ratio	18.9%	20.2%	18.7%
Total capital ratio.....	21.8%	22.4%	21.0%
Full-time employees.....	16,803	16,565	16,213

Note:

¹ See Section 20 (Definitions).

9.2 Ratings

The Group/Swedbank⁹ has been assigned ratings by Standard & Poor's ("S&P"), Moody's and Fitch as set forth in the table below:

	Standard & Poor's		Moody's		Fitch	
	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term
Swedbank	A-1	A+	P-1	Aa3	F1+	AA

On March 26, 2020, S&P lowered the long-term and short-term issuer credit rating for Swedbank AB and its core subsidiary Swedbank Mortgage AB to A+/A-1 from AA-/A-1+. The downgrade followed the SFSA and EFSA disclosures regarding investigations into Swedbank's Baltic subsidiaries, as well as Swedbank's disclosure of the findings of the independent investigation by Clifford Chance LLP. In its most recent rating report (November 15, 2022), S&P stated that Swedbank's key strengths is being

⁹ The ratings of Standard & Poor's are assigned to both Swedbank and the Group. The ratings of Fitch and Moody's are assigned only to Swedbank.

a market leader in Swedish retail banking with a broad digital customer base, having a cost efficiency reflective of the digitalised banking platform and having strong earnings supporting stable risk adjusted capital. Key risks consist of vulnerabilities in risk culture, governance, and anti-money laundering processes and having a higher use of wholesale funding relative to international peers.

On April 2, 2020, Moody's downgraded Swedbank's long-term deposit and senior unsecured debt ratings to Aa3 from Aa2, junior senior unsecured debt ratings to Baa1 from A3, subordinated debt ratings to Baa2 from Baa1 and baseline credit assessment to Baa1 from A3. The rating action followed the conclusions of the SFSA investigations and the independent investigation commissioned by the Group into anti-money laundering controls which showed serious and systematic deficiencies in Swedbank's management of money laundering risks, particularly in its Baltic operations. On October 8, 2021, Moody's placed Swedbank's deposits and senior unsecured ratings on review for downgrade, partially due to the SNDO's proposal to amend the resolution framework, which will result in most Swedish banks needing to issue lower levels of loss-absorbing debt. On March 1, 2022, Moody's reaffirmed Swedbank's long-term deposit and senior unsecured debt ratings and placed the ratings on negative outlook. This rating action concludes the review for downgrade on Swedbank's deposit and senior unsecured debt ratings initiated on October 5, 2021 following the Swedish resolution authority's proposal for updated MREL which is expected to result in Swedish banks needing to issue lower levels of additional loss-absorbing debt.

On July 1, 2022, Fitch upgraded Swedbank's long-term IDR to AA- from A+, its short-term IDR to F1+ from F1 and its VR to aa- from a+. The outlook on the long-term IDR is stable. The upgrade reflects Fitch's opinion that Swedbank's AML risk control framework has been sufficiently strengthened and has addressed historical shortcomings at its Estonian subsidiary. Fitch stated in its credit update from December 23, 2022, that Swedbank's ratings reflect Swedbank's leading franchise in Sweden and the Baltic countries, low-risk business model and robust financial metrics. Swedbank's well-executed retail banking strategy is visible in sustainable and strong earnings, solid cost efficiency and low credit losses. Swedbank's funding profile benefits from a stable deposit base, low refinancing needs, ample liquidity, and strong access to the wholesale markets.

The Group's aim is to attain credit ratings that are on par with those of the banks with the highest credit ratings in the Nordic region.

10. Management's Discussion and Analysis of Financial Condition and Results of Operations

10.1 Overview and Market Share

The following discussion of the financial condition and results of operations of Swedbank should be read in conjunction with "Presentation of Certain Financial and Other Information" and the audited consolidated financial statements of the Group as of and for the years ended December 31, 2022, 2021 and 2020 which are incorporated by reference in this Base Prospectus, as well as with the information presented under "Selected Financial Information" and "Selected Statistical and Other Information".

The following discussion contains forward-looking statements that are based on estimates and assumptions that are subject to risks and uncertainties. The actual results may differ materially from what is discussed in the forward-looking statements as a result of various factors, including those set forth in "Risk Factors".

10.1.1 Overview

As of December 31, 2022, the Group served over seven million private customers and more than 550,000 corporate customers and organisations through approximately 400 branches, primarily in its home markets of Sweden, Estonia, Latvia and Lithuania. This includes customers reached through 58 independent savings banks.

The Group offers a broad range of services, including retail banking, corporate and investment banking, asset management and insurance, with the majority of the Group's income generated from its retail banking operations. As of December 31, 2022, the Group's loans to customers amounted to SEK 1,799 billion. The Group recorded SEK 31,806 million in profit before impairments, Swedish bank tax and resolution fees for the year ended December 31, 2022 and SEK 26,834 million in profit before impairments, Swedish bank tax and resolution fees for the year ended December 31, 2021. The Group has four business segments: (i) Swedish Banking, which generated 60 per cent of the Group's consolidated income as of December 31, 2022, (ii) Baltic Banking, (iii) LC&I and (iv) Group Functions & Other. Group Functions & Other includes Group Financial Products & Advice.

10.1.2 Market Share

<u>Market share, Sweden</u> ^{1, 2}	As of December 31,		
	2022	2021	2020
Private market			
Deposits.....	18%	19%	19%
Lending.....	20%	21%	21%
of which mortgage lending	22%	23%	23%
Corporate market			
Deposits.....	15%	16%	16%

Note:

¹ Swedbank estimates based on (i) management accounts as to Swedbank presence and (ii) Statistics Sweden as to Swedish market size.

² Swedbank discloses the corporate market share excluding financial corporations.

Market share, Estonia¹	As of December 31,		
	2022	2021	2020
Private market			
Deposits.....	48%	51%	51%
Lending.....	42%	43%	43%
<i>of which mortgage lending</i>	42%	44%	45%
Corporate market			
Deposits.....	39%	43%	44%

Note:

¹ Swedbank estimates based on (i) management accounts as to Swedbank presence and (ii) Estonian Central Bank data as to Estonian market size.

Market share, Latvia¹	As of September 30,	As of December 31,	
	2022	2021	2020
Private market			
Deposits.....	38%	37%	34%
Lending.....	35%	34%	35%
<i>of which mortgage lending</i>	40%	40%	40%
Corporate market			
Deposits.....	28%	27%	28%

Note:

¹ Swedbank estimates based on (i) management accounts as to Swedbank presence and (ii) Association of Commercial Banks of Latvia and The Financial and Capital Market Commission (Latvia) data as to Latvian market size.

Market share, Lithuania¹	As of September 30,	As of December 31,	
	2022	2021	2020
Private market			
Deposits.....	45%	44%	44%
Lending.....	39%	40%	40%
<i>of which mortgage lending</i>	39%	39%	39%
Corporate market			
Deposits.....	30%	29%	31%

Note:

¹ Swedbank estimates based on (i) management accounts as to Swedbank presence and (ii) Association of Lithuanian Banks data as to Lithuanian market size.

10.2 Significant Factors Affecting Results of Operations and Business Conditions¹⁰

It is the Group's view that its business, results of operations and financial condition have been affected, and may continue to be affected by the significant factors described below. The impact of these and other potential factors may vary significantly in the future.

10.2.1 Global Overview and Macroeconomic Factors¹¹

The macroeconomic environment is a major driver of the Group's earnings. In particular, it affects the demand for banking services and pricing as well as asset quality, and accordingly impacts credit and other risks the Group undertakes in the normal course of its business. The Group's balance sheet and income statement is to a large extent dependent on general macroeconomic conditions.

¹⁰ Swedbank Economic Outlook, January 2023 www.swedbank-research.com/economic_outlook.

¹¹ Statistics Sweden, Statistics Estonia, Central Statistical Bureau of Latvia and Statistics Lithuania.

In 2022, the world economy continued to be impacted by COVID-19. Although the contagion has slowed in certain areas through successful vaccination programmes and other government policies, countries began reopening. However, the appearance of various variants and ongoing lockdowns in countries, particularly in China, along with uncertainty regarding further virus mutations and inequality in vaccination rates have continued to impact the global economy. Indicators such as purchasing managers' indices and confidence surveys showed that expectations and optimism improved during the beginning of 2022. Global trade also increased. However, starting in the second quarter of 2022, the global economic outlook turned negative. The war in Ukraine, the European energy crisis, high inflation and rising interest rates have eroded consumer purchasing power and business activity started to decline. Central banks have raised their policy rates and have signalled additional large rate hikes in the near future. The Swedish krona weakened against the euro and the U.S. dollar since Russia launched its invasion of Ukraine on February 24, 2022. Depreciation against the U.S. dollar is particularly evident as the Federal Reserve shifted toward a tighter monetary policy. From December 31, 2021 to December 31, 2022, the krona depreciated by 8 per cent against the euro and by 15 per cent against the U.S. dollar.

During 2022, the U.S. Federal Reserve set the federal funds rate at 4.25 per cent – 4.5 per cent. However, due to rising inflation and tight labour conditions, the Federal Reserve is generally expected by the financial markets to raise interest rates again in 2023. In March 2022, the Federal Reserve ended its essentially unlimited asset purchases program along with several additional measures to support liquidity. To curb inflation, most central banks, including the U.S. Federal Reserve and the ECB are expected to tighten their monetary policies further in 2023. There are signs that inflation in the United States has peaked. In December, inflation fell to 6.5 per cent and is the sixth consecutive month that inflation is falling. There are expectations that the interest rate peak will be reached during the first half of 2023. In the eurozone, inflation has also fallen slightly, while mild winter and large gas stocks have reduced concerns about sharp increases in electricity prices. However, inflation remains very high and more interest rate hikes are expected in the near future. In November 2022, the Riksbank raised interest rates by 100 percentage points to 2.50 per cent and signaled additional 0.25 percentage points in February 2023 increases to come. In December 2022, the ECB paused its purchasing program of EUR 20 billion per month and raised its key interest rates. The ECB raised interest rates in December for the fourth consecutive month by 0.50 basis points. Accordingly, the interest rate on the main refinancing operations, the interest rates on the marginal lending facility and the deposit facility are 0.50 per cent, 0.75 per cent and 0.00 per cent, respectively, effective July 27, 2022. In 2022, the S&P 500 decreased by 19.4 per cent and the STOXX 50 decreased by 11.7 per cent.

The ECB has continued to take measures to ensure financial market liquidity, including facilitating corporate loans; however, the ECB took steps to retract some of the stimulus. Various governments have also announced large support packages. The EU governments, spearheaded by Germany, have launched a stimulus package amounting to approximately EUR 750 billion. Similarly, the U.S. implemented a fiscal stimulus package, including cash transfers to households, tax cuts, and support for businesses. The Pandemic Emergency Purchase Programme ("PEPP") concluded at the end of March 2022, and the net purchases under the main programme are expected to run until at least the end of 2023. Even if the net purchases under PEPP will expire, the ECB Governing Council has retained some flexibility via PEPP reinvestments. These reinvestments may prove crucial and could allow the ECB to reduce the aggregate level of monetary stimulus, while ensuring that no member state is affected disproportionately and that yield spreads remain compressed.

Most economic indicators are pointing downwards, but the world economy is still growing as world trade is increasing. In the United States, GDP rose by 1.9 per cent in the third quarter compared to the same period in 2021. In the euro zone and in Sweden, GDP increased by 2.3 and 2.6 per cent, respectively, during the corresponding period. The labour market remains robust and labour shortages are widespread in both the United States and Europe. The IMF World Economic Outlook (October

2022) predicts the growth in global economy will drop to 2.7 per cent in 2023 from 3.2 per cent 2022. In the United States, the number of nonfarm payroll jobs increased by 223,000 in December 2022, resulting in an unemployment rate of 3.5 per cent and has remained in a narrow range of 3.5 per cent to 3.7 per cent since March 2022 (compared to 14.8 per cent at the end of the February-April 2020 recession, the highest rate observed since data collection began in 1948). Unemployment is thus back to pre-pandemic levels followed by higher wage increases. The crude oil showed large price swings in 2022 due to the war in Russia. Oil prices reached over 130 USD a barrel in February as the war unfolded. Increased concerns about the supply of Russian oil as Russia is the world's largest oil producer pushed up the price. Since then, the price has fallen back and at the end of December the price of oil was 86 USD per barrel compared with 79 USD same period 2021. The International Energy Agency estimates in its December 2022 oil market report that global oil demand will rise by 1.7 million barrels per day in 2023 when it will reach 101.6 million barrels per day.

A general framework for determining whether an economic activity qualifies as environmentally sustainable for the purposes of establishing the degree to which an investment is environmentally sustainable has been established in the EU Taxonomy. The EU Taxonomy, which has begun to be applied in practice in January 2022, is subject to further development by way of the implementation by the European Commission through delegated acts of technical screening criteria for the remaining four environmental objectives set out in the EU Taxonomy. On April 21, 2021, the European Commission approved in principle the EU Taxonomy Climate Delegated Act, which sets out criteria for economic activities in the sectors that are relevant for achieving climate neutrality and delivering on climate change adaptation. This includes sectors such as energy, forestry, manufacturing, transport and buildings. Criteria for other environmental objectives will follow in a later delegated act, in line with the mandates in the EU Taxonomy.

10.2.2 Sweden

Sweden's sovereign rating of Aaa/AAA/AAA was maintained by all rating agencies during 2021 and 2022. The Swedish economy rebounded sharply after the pandemic in 2021, but it has recently taken slowed down, due to concerns of rising inflation and a possible recession. Swedish real GDP (calendar-adjusted) is estimated to have increased by approximately 2.8 per cent in 2022 compared with an increase of 4.9 per cent in 2021 and contraction of -2.4 per cent in 2020, according to the National Institute for Economic Research ("NIER") forecast published in December 2022. Based on the NIER December 2022 forecast, public finance is expected to have a surplus of 0.8 per cent of GDP in 2022 compared with a deficit of -0.1 per cent in 2021 and a deficit of 2.8 per cent. in 2020. Public debt is expected to have decreased to 31.9 per cent of GDP from 36.3 per cent in 2021 and 39.5 per cent in 2020. Swedish public finances are still among the strongest in the EU. According to the NIER December 2022 forecast, the surplus in current account balances declined to 4.5 per cent of GDP compared with 6.9 per cent in 2021. However, Sweden still maintains one of the largest surpluses in foreign trade as a share of GDP.

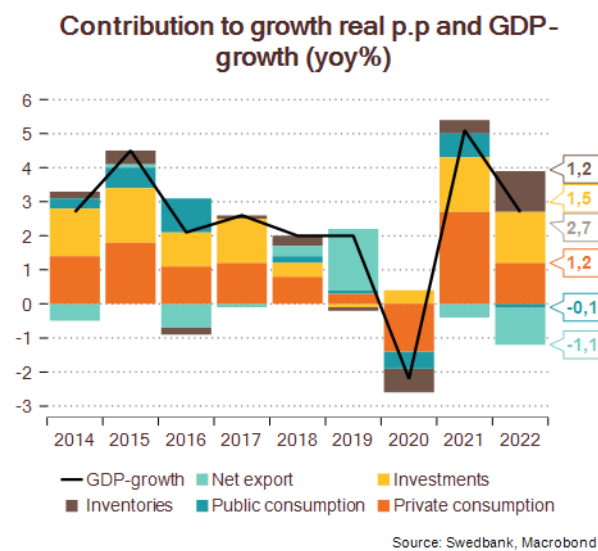
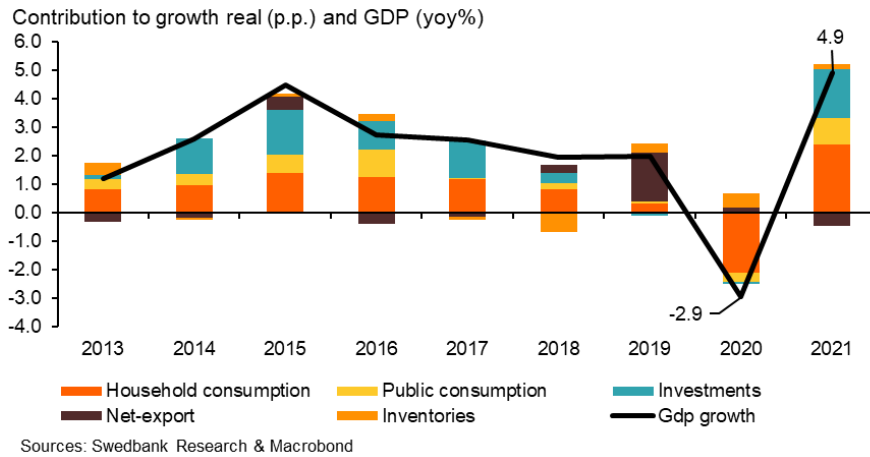
Swedish GDP growth slowed down in 2022 after the strong recovery in 2021. In the first three quarters of 2022, GDP rose by 3.5 in the first three quarters of 2022. It is mainly weaker private consumption that contributes to the lower growth due to rising inflation and higher interest rates. Investments continued to grow supported by investments in the business sector while investments in housing started to decelerate. Consumer confidence has fallen to the lowest level since the global financial crisis of 2008/2009, according to the National Institute of Economic Research's business cycle barometer. While the removal of COVID-19 restrictions in February 2022 lifted the annual growth for the second quarter of 2022, growth has since fallen. Retail sales in volume and in seasonally adjusted terms decreased by 2.1 per cent in average during Jan-November 2022 compared with the same period 2021, according to Statistics of Sweden.

The household indicator from Statistics Sweden is a broader measure of households' private consumption. As opposed to retail sales statistics, it includes the consumption of services. The household indicator increased by 3.0 per cent in 2022 compared with 5.4 per cent in 2021. As service prices have not increased as much as for goods, the fall in the volume of consumption is smaller compared to the statistics on trade in services. The business sector has been negatively affected by the high inflation, while demand has weakened. Industries that have been hardest hit are retail and household services when households' purchasing power deteriorates. The construction sector is another industry that is being hit harder than other industries now that house prices and housing construction are declining. It has also led to more corporate bankruptcies and fewer start-ups. So far, the effects on the labor market have been limited, but the number of notices has started to rise with the risk that it may continue further in 2023.

Investment in housing increased by nearly seven per cent on average during the first three quarters of 2022 and is expected to weaken further in the fourth quarter. In NIER's December 2022 forecast, investments in housing are expected to increase by 4.5 per cent in 2022 after an increase of 10.2 per cent in 2021. Overall, gross fixed investments are expected to have increased by 5.9 per cent in 2022, compared with an increase of 6.4 per cent during 2021. At the same time, private consumption is expected to have increased by 2.7 per cent in 2022 after an increase by 6.0 per cent in 2021. Unlike in 2021, in 2022 consumption of goods decreased while consumption of services increased. Global growth was unexpectedly strong in 2022 and supported the Swedish export sector. For the first three quarters of 2022, exports of goods and services increased by 5.2 per cent in volume terms compared with the first three quarters of 2021. A higher inflation rate in 2022 have also led to higher export prices which means the export in nominal terms increased by 22.5 per cent compared with 12.7 per cent 2021. NIER's December 2022 report predicted total export in volume terms to have increased by 4,7 per cent in 2022 after an increase by 7.9 per cent in 2021. The Swedish krona weakened during 2022 against both the U.S. Dollar and the euro. From December 31, 2021 to December 31, 2022, the krona depreciated by 8 per cent against the euro and by 15 per cent against the U.S. dollar.

The Swedish economy is fundamentally strong, with a competitive business sector, strong public finance, low sovereign debt and low corporate default levels. But there are several challenges that the Swedish economy faces. The high indebtedness ratio among Swedish households poses a downside risk to the Swedish economy when the interest costs are rising. Another risk to the Swedish economy is the energy crisis in Europe and high energy prices, which mainly affect energy-intensive industry but also households. Economic indicators as purchasing managers index and NIER business surveys have pointed downwards in 2022 and signal an approaching recession, but the Swedish economy still continued to grow. In the second and third quarters of 2022, the Swedish economy accelerated after the removal of COVID restrictions in February but is expected to have lost momentum in the fourth quarter of 2022 as household purchasing power has significantly deteriorated due to high inflation and increasing interest rates.

The chart below shows the real and estimated Swedish GDP growth (not calendar adjusted).



Source: Statistics Sweden and Swedbank Research¹²

The total value of exports and imports of goods amounted to SEK 1,827 billion and SEK 1869 billion, respectively, in 2022.¹³ There was a trade deficit in goods for the first time since 2018. As set out below, Sweden's main export partners during the year were Norway, Germany and the United States.

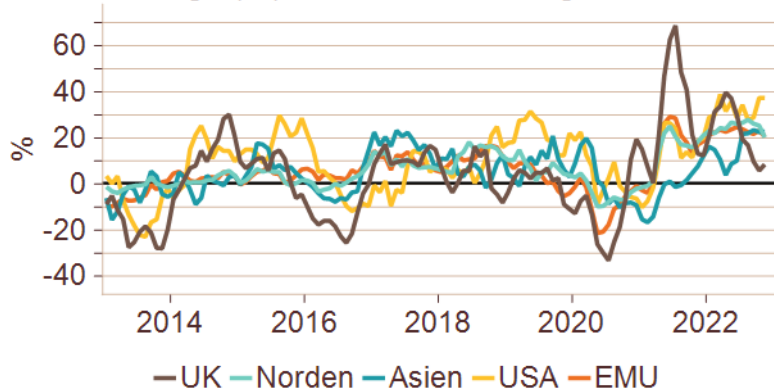
The chart below shows the annual change in Swedish exports per region from 2013 through December 2022.

¹² Statistics Sweden, (Sw: *Statistiska Centralbyrån, SCB*), 2022-12-28, NIER Economic Outlook Dec 2022.

¹³ Statistics Sweden, (Sw: *Statistiska Centralbyrån, SCB*), 2022-12-28, www.scb.se.

Export to different regions

Annual change (%) 3-month, 3 movavg



Source: Swedbank Research & Macrobond

Source: Statistics Sweden¹⁴

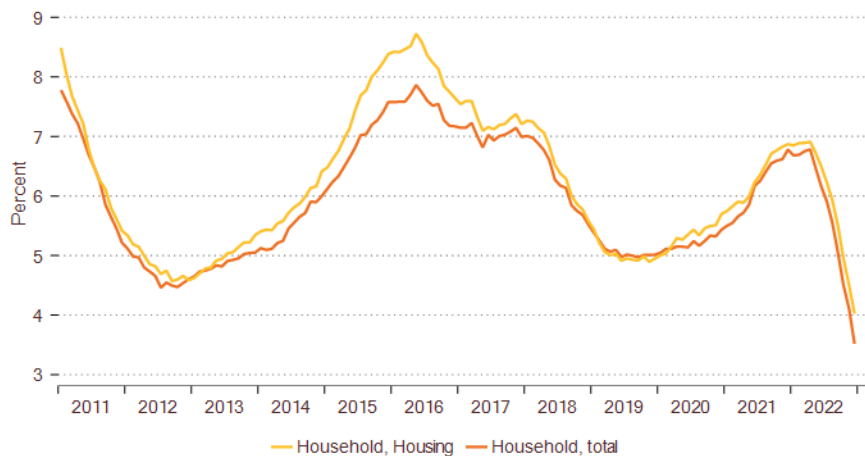
The Swedish labour market deteriorated rapidly at the beginning of the COVID-19 pandemic, but recovered in 2021 and 2022. The unemployment rate decreased from 7.2 per cent in January 2022 to 6.6 per cent in December 2022, according to the Swedish Public Employment Service ("PES"). According to the Statistics Sweden, unemployment was 7.2 per cent in November 2022 (trended and seasonally adjusted). In 2022, the number of employed people rose, according to Statistics Sweden. In November 2022, employment increased by 149,000 people compared with same month in 2021. An employment rate of 69.3 per cent in November 2022 is still among the highest in the EU. However, although unemployment has fallen in 2022, long-term unemployment has risen. Rising unemployment is also structural. Individuals with less education or who have a non-European background have the biggest challenge integrating with the Swedish labour market, particularly when the labour market is weakening. In November 2022, the unemployment rate among foreign born individuals was 14.8 per cent compared with 3.6 per cent among native born individuals. The rise in interest rates in 2022 and falling house prices have followed by lower lending growth to Swedish households. In annual terms mortgage loans increased in December 2022 by 3.5 per cent after having grown by 6.8 per cent in December 2021. Consumer credit growth in December was 2.9 per cent, compared to an annual rate of 7.2 per cent in December 2021 and by 3.9 per cent in December 2020. Credit expansion to Swedish households began decelerating in the second half of 2017, when amortisation requirements were implemented by SFSA, from an annual credit growth rate of 7.2 per cent in March 2017 to 5.5 per cent in December 2018. The downward trend in credit expansion continued in 2019, reaching 5.0 per cent in December, but started to pick up in 2020 and 2021. In December 2022, annual credit expansion was 3.5 per cent, the lowest growth rate since 2006.

The chart below shows the annual percentage change of household borrowing in Sweden from 2006 to 2022.

Pace of household borrowing stabilising

¹⁴ Statistics Sweden, (Sw: Statistiska Centralbyrån, SCB), 2022-12-28, <https://www.scb.se/hitta-statistik/statistik-efter-amne/finansmarknad/finansmarknadsstatistik/finansmarknadsstatistik/pong/statistiknyhet/finansmarknadsstatistik-november-2022/>

Lending to Swedish Household, annual change in per cent



Source: Swedbank, Macrobond

Source: Statistics Sweden (SCB), data up to and including December 2022.

Consumer confidence and real consumer purchasing power decreased in the second half of 2022 due to the high inflation rate. Due to the high inflation rate household disposable income is expected to have declined 2022 in real terms for the first since 1997. Private consumption, however, is expected to have increased by 2.7 per cent in 2022 on average and account for 1.2 percentage points to the increase in GDP, according to the NIER December 2022 forecast. High inflation pressures and recession fears have contributed to the deceleration in consumption and for 2023 private consumption is expected to decline. However, this change in consumption contributed to a decline in the household savings ratio, from 15.5 per cent of disposable income in 2021 to 11.9 per cent in 2022, according to the NIER December 2022 forecast.

In the first quarter of 2022, house prices in Sweden continued to increase (quadrupling since 2000) primarily due to low interest rates, lack of housing, robust growth in disposable income and strong demand for houses. Since the second quarter of 2022, however, the housing market changed dramatically due to high inflation and higher market interest rates. Since the peak in March 2022 the housing prices have declined by 15 per cent seasonally adjusted according to Valueguard price index, and even more in large metropolitan areas. In November 2022, Valueguard's price index decreased by 11.4 per cent compared with November 2021. According to Valueguard's price index, single-family home prices were down by 12.8 per cent annually in December, while tenant-owner apartment prices decreased by 9.4 per cent for the period. This is the first time Sweden has experienced falling housing prices since 2018. The housing market in the second half of 2022 was characterised by transactions where sellers and buyers struggled to find a price point in equilibrium, which resulted in a reduction of the number of deals that closed compared to the same month in both 2021 and 2020. For 2022, the number of condominiums sold was 16 per cent lower than the record year 2021 and 8 per cent below the level in 2020, according to Svensk Mäklarstatistik. The number of houses sold was 10 per cent lower than in 2021 and 8 per cent lower than in 2020.

In 2022, the average inflation rate according to consumer price index with a fixed interest rate ("CPIFI") increased to 7.7 per cent from 2.4 per cent in 2021, which is above the Swedish Central Bank's inflation target of 2.0 per cent. In December 2022, the CPIFI inflation rate was 10.2 per cent, which is the highest inflation rate since April 1991. The increase in inflation during 2022 was initially driven by higher energy prices due to the war in Ukraine and potential shortages of natural gas but has gradually broadened to other goods and services. In November 2022, the Riksbank raised its policy rate by 0.5 percentage point to 2.5 per cent and is expected to raise the policy rate further in 2023. Since the beginning of

2022 the Riksbank has raised the repo rate four times by totally 250 basis points. According to the Riksbank repo rate path from December 2022 forecast, the repo rate is expected to 3.0 per cent.

Sweden accounted for 77 per cent of the Group's total income for the year ended December 31, 2022.

The rate of GDP growth (calendar-adjusted) in Sweden for 2020 and 2021 and the estimated GDP growth for 2022 is shown in the table below:¹⁵

	<u>2022</u>	<u>2021</u>	<u>2020¹⁶</u>
Sweden.....	2.8%	4.8%	-3.2%

10.2.3 The Baltic Countries¹⁷

The Baltic countries saw robust growth in the first quarter of 2022, but slowed significantly during in the rest of the year primarily due to impacts from the war in Ukraine and high inflation. The Estonian economy is estimated to have contracted by 0.4 per cent during 2022, according to Swedbank Economic Outlook from January 2023. In Latvia GDP-growth is expected have to decreased to 1.1 per cent from 4.1 per cent in 2021 according to Swedbank's January forecast. The Lithuanian economy has been more resilient, but growth was nevertheless lower in 2022 (2.4 per cent) compared to 2021 (6.0 per cent) according to Swedbank's January forecast. The lower GDP growth is mainly driven by weaker domestic demand, private consumption and investment. In comparison, the GDP growth in the Economic and Monetary Union ("EMU") is expected to be 3.3 per cent. Despite lower growth, unemployment continues to fall in the Baltic countries. The recovery in the Baltic economies has led to a decline in unemployment and is at a lower level, compared to a year ago but not yet back to pre-pandemic levels. According to Eurostat, in November 2022, the seasonally adjusted unemployment rate in Latvia was 7.2 per cent, as compared to 7.3 per cent in December 2021. In Lithuania, the unemployment rate was 5.9 per cent in November 2022, as compared to 6.7 per cent in November 2021. In Estonia, the unemployment rate was 5.4 per cent, as compared to 5.4 per cent in November 2021. Wages continued to rise at a rapid pace, but not to the same extent as inflation, which was among the highest in the EU during 2022. In December, inflation rate in Estonia was 17.5 per cent compared with 20.7 per cent in Latvia and 20.0 per cent in Lithuania. The high inflation rate led to a sharp fall in the purchasing power for households in the Baltic countries.

Estonia, Lithuania and Latvia reported credit impairments in 2022 (SEK 178 million in Estonia; SEK 200 million in Lithuania; SEK 27 million in Latvia).

In 2021, Estonia, Lithuania and Latvia reported credit impairments of SEK 117 million in Estonia, SEK 18 million in Latvia and SEK 25 million in Lithuania.

In 2020, Estonia, Lithuania and Latvia reported credit impairments of SEK 135 million in Estonia, SEK 53 million in Latvia and SEK 50 million in Lithuania.

Rate of GDP growth in the Baltic countries for the following periods:¹⁸

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Estonia.....	<u>(0.4)%</u>	<u>8.0%</u>	<u>(3.0)%</u>
Latvia.....	<u>1.1%</u>	<u>4.1%</u>	<u>(3.6)%</u>
Lithuania.....	<u>2.4%</u>	<u>6.0%</u>	<u>(0.1)%</u>

¹⁵ Statistics Sweden (SCB), 2022-12-28, www.scb.se and Swedbank Economic Outlook, January 2023.

¹⁶ NIER December 2022 forecast.

¹⁷ GDP and inflation figures from Statistics Estonia, Statistics Latvia and Central Statistical Bureau of Lithuania, respectively and Eurostat.

¹⁸ GDP and inflation figures from Statistics Estonia, Statistics Latvia and Central Statistical Bureau of Lithuania; Swedbank Economic Outlook, January 2023.

10.2.4 Interest Rates

Fluctuations in short- and medium- to long-term interest rates impact the Group's net interest income differently based upon the re-pricing profile of the Group's interest-earning assets and interest-bearing liabilities, which are set forth in the notes to the audited consolidated financial statements incorporated by reference in this Base Prospectus (see note G8 in the audited consolidated financial statements of the Group as of and for the year ended December 31, 2022). The Group's re-pricing profile depends upon the pricing terms applicable to its products (including base interest rates and yield curves), the mix of funding and lending instruments in the Group's portfolio and the extent of the Group's use of interest-related derivatives. As a general matter, low interest rate levels have a negative impact on the Group's profitability, since current accounts with a zero per cent interest rate generate a relatively low margin of income in a low interest rate environment. However, the Group's re-pricing profile is to an extent characterised by a higher level of short-term liabilities than short-term assets.

In 2022, the Group's net interest income amounted to SEK 33,157 million as compared to SEK 27,048 million in 2021. Net interest income within Swedish Banking increased to SEK 20,814 million. Higher deposit margins resulting from higher market interest rates and higher average volumes also contributed. Lending margins were lower. Net interest income in Sweden increased by SEK 3,644 million, or 17 per cent, from SEK 21,230 million in 2021 to SEK 24,874 million in 2022. Net interest income increased 48 per cent in local currency within Baltic Banking. Rising deposit margins and higher lending volumes. Net interest income increased by 24 per cent within LC&I due to higher average lending volumes and higher deposit margins. Group Functions and Other net interest income decreased to SEK -899 million mainly due to effects of the bank's internal pricing model related to higher market interest rates.

In 2021, the Group's net interest income amounted to SEK 27,048 million as compared to SEK 27,716 million in 2020. Net interest income within Swedish Banking decreased to SEK 15,472 million. Lower average market interest rates negatively affected net interest income, but this was partly offset by higher lending margins. Net interest income in Sweden decreased by SEK 41 million, from SEK 21,271 million in 2020 to SEK 21,230 million in 2021. Net interest income increased 4 per cent in local currency within Baltic Banking. Higher lending volumes and a positive effect when Swedbank qualified for the European Central Bank's targeted longer-term refinancing operations (TLTRO3) were partly offset by lower deposit margins. Net interest income decreased by two per cent within LC&I due to lower deposit margins. Group Functions and Other net interest income increased to SEK 2,272 million mainly because short-term funding costs decreased and short-term market interest rates were lower during the year. For more information relating to interest rate risk management see "Risk Management—Market Risks—Interest Rate Risk".

10.2.5 Exchange Rates

The Group has a policy to not hedge foreign exchange exposures associated with goodwill and other intangible assets related to the holdings of foreign (non-SEK) entities. However, negative exchange rate changes from those exposures would not be reported in the consolidated income statement or affect the Group's CET 1 capital. Those foreign exchange exposures would be recognised as other comprehensive income.

Changes in exchange rates, primarily fluctuations of the Swedish krona against the Euro, during 2022 positively affected the Group's profit before impairment by around SEK 417 million.

Changes in exchange rates, primarily fluctuations of the Swedish krona against the Euro, during 2021 negatively affected the Group's profit before impairment by SEK 177 million.

For more information relating to exchange rate risk management, see “Risk Management—Market Risks—Currency Risk”.

10.2.6 Capital Markets

Net commissions from asset management and Insurance is directly impacted by fluctuations in global capital markets, as well as the value of assets under management. The Group’s net commission income for the year ended December 31, 2022 decreased 4 per cent to SEK 14,223 million, compared to SEK 14,853 million for the year ended December 31, 2021. Income from asset management decreased due to the downturn in the capital markets, while income from card operations increased as pandemic restrictions were lifted during the year. Net asset management and custody commission income decreased 10 per cent to SEK 6,530 million in 2022, compared to SEK 7,238 million in 2021, mainly due to the downturn in the capital markets.

Volatility in equity prices is expected to continue to have a significant effect on the Group’s results of operations. A decline in stock market prices by 10 per cent would have reduced the Group’s net commission by SEK 546 million in the year ended December 31, 2022 and SEK 677 million in the year ended December 31, 2021.

10.3 Funding

In the first half of 2022, credit markets were marred by geopolitical concerns, rising interest rates and inflation, in addition to expectations of further central bank rate hikes. In the second half of 2022, bond yields rose significantly and market volatility was high. The short-term USD funding market was affected as the Federal Reserve increased interest rates. As a result, investors chose to retain liquidity or invest in shorter maturities than normal. In 2022, Swedbank was active in the international markets for long-term debt to meet its funding and regulatory requirements. During 2022, Swedbank issued SEK 113 billion in long-term funding in the form of benchmark senior preferred and non-preferred transactions (EUR and USD) and covered bonds. Despite the ongoing economic volatility, Swedbank maintained strong capital and liquidity ratios over the course of the year due to its proactive yet cautious management of portfolios carrying market risk.

Swedbank’s funding strategy is based on the structure of its assets. More than half of its lending consists of Swedish mortgages, which are primarily financed through covered bonds and deposits. Swedbank is one of the leading retail banks in its home markets. Deposit volumes, together with covered bonds and shareholder equity, cover the majority of Swedbank’s total funding requirements. As of December 31, 2022, Swedbank’s loan to deposit ratio was 139 per cent due to the faster growth of deposits compared with loans. Swedbank’s funding strategy is also closely linked to the credit quality of the assets on its balance sheet. One of Swedbank’s areas of focus for managing liquidity risk is to ensure that it maintains high quality lending activities. Swedbank strives to match unsecured funding against assets of an equivalent amount and maturity.

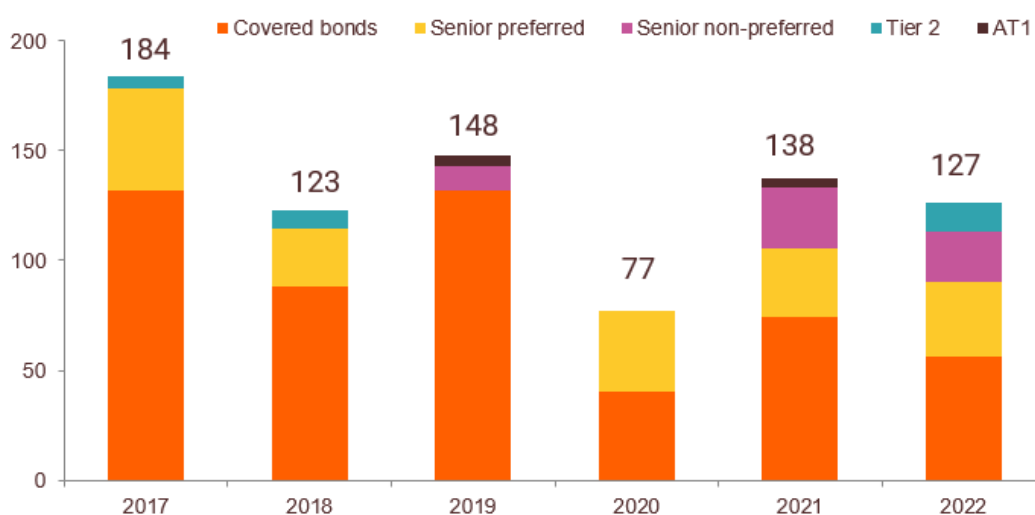
The Group’s share of unsecured funding in its total funding mix is mainly determined by its liquidity needs and the buffer it wants to maintain in its cover pool in the form of over-collateralisation in order to withstand fluctuations in housing prices. Another driver for the issuance of senior preferred and non-preferred debt is Swedbank’s minimum requirement for MREL. The first stage of MREL implementation required compliance by January 1, 2018 and the second and final step requires compliance by January 1, 2024. On October 18, 2021, the SNDO published its policy on implementation of the EU’s Bank Recovery and Resolution Directive (“BRRD II”). The SNDO assessment showed that, as of December 31, 2022, Swedbank fulfilled its total requirements for 2024 by a margin of 5.2 per cent. Expressed as a percentage of REA, the MREL requirement for Swedbank stands at 28.0 per cent for 2024.

Management believes that both the Group and Swedbank Mortgage have a well-diversified investor base.

The average maturity profile for all wholesale funding, including both short- and long-term funding programmes, was stable in 2022. The average maturity for all capital market funding arranged through the Group's short- and long-term programmes was 23 months as of December 31, 2022, 26 months as of December 31, 2021 and 25 months as of December 31, 2020.

The following table shows long-term funding issuances from 2017 through 2022.

SEK billion



Source: Swedbank interim reports.

10.4 Valuation of Financial Instruments at Fair Value

The Group recognises certain of its assets and liabilities at fair value. The value of these assets and liabilities has fluctuated in the past and are expected to fluctuate in the future, which may have a direct impact on the Group's results of operations and the structure of its balance sheet. The fair value of financial instruments is determined based on quoted market prices in an active market and a significant portion is determined based on adjusted, quoted price or valuation models with valuation parameters derived from an active market. Fair value for a financial asset or financial liability in an active market is the current bid or offer price times the number of units of the instrument held. Where a trading portfolio contains both financial assets and financial liabilities which are derivatives of the same underlying instrument, fair value is determined by valuing the gross long and short positions at current mid-market prices, with an adjustment at portfolio level to the net open long or short position to amend the valuation to bid or offer prices.

When such market prices are not available, generally accepted valuation models such as discounting of future cash flows are used. The valuation models are based on observable market data, such as quoted prices on active markets for similar instruments or quoted prices for identical instruments on inactive markets.

The table below shows financial instruments carried at fair value as of December 31, 2022, by valuation method.

SEK million	As of December 31, 2022			
	Level 1¹	Level 2²	Level 3³	Total
Assets				
Treasury bills and other bills eligible for refinancing with central banks, etc.....	15,630	3,112	–	18,742
Loans to credit institutions.....	–	15	–	15
Loans to the public.....	–	30,817	33	30,850
Bonds and other interest-bearing securities	42,138	19,160	–	61,298
Shares and participating interest.....	7,099	4	1,081	8,184
Financial assets for which the customers bear the investment risk.....	290,534	–	144	290,678
Derivatives.....	179	50,325	–	50,504
Total.....	355,580	103,433	1,258	460,271
Liabilities				
Debts to credit institutions	–	659	–	659
Deposits and borrowings from the public.....	–	2,815	–	2,815
Debt securities in issue	–	2,371	–	2,371
Financial liabilities for which the customers bear the investment risk.....	–	291,849	144	291,993
Derivatives.....	197	68,482	–	68,679
Short positions securities	27,014	120	–	27,134
Total.....	27,211	366,296	144	393,651

Note:

¹ Level 1 – Financial assets and financial liabilities valued using unadjusted quoted prices in active markets for identical assets or liabilities. This category includes, for example, Treasury bills and listed shares.

² Level 2 – Financial assets and financial liabilities valued using observable prices or the value is directly linked to certain asset values. This category includes, for example, less liquid bonds, loans to the public and deposits.

³ Level 3 – Primarily contains unlisted equity instruments where the price is unobservable and the sensitivity in the value to changes in the unobservable parameter is linear in the model applied. To estimate the unobservable price, different methods are applied depending on the type of available data. The primary method is based on executed transactions or quoted share price of similar equities. Other inputs to these methods are primarily prices, proxy prices, market indicators and company information. The level 3 unlisted equity instruments include strategic investments. Swedbank's holdings in Visa Inc. C shares are subject to selling restrictions for a period of until June 2028 and under certain conditions may have to be returned. Liquid quotes are not available for these shares, therefore the fair value is established with significant elements of Swedbank's own internal assumptions. During 2022 there was a conversion of VISA Inc. C shares to Visa Inc. A shares. The carrying amount of the remaining Visa Inc. C holdings amounts to SEK 421 million as of December 31, 2022.

10.5 Critical Accounting Policies and Estimates

The Group's accounting policies are integral to understanding the financial condition and results of operations presented in the consolidated financial statements and the related notes thereto. The Group's significant accounting policies applied in the financial statements are described in note G2 'Accounting policies' in the audited consolidated financial statements of the Group as of and for the years ended December 31, 2022, 2021 and 2020 which are incorporated by reference in this Base Prospectus.

The preparation of financial statements requires the Group's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of income and expenses during the reported period. On an ongoing basis, the Group's management evaluates its estimates and judgements, including those related to fair value of financial instruments, allowance for impairment of loans and receivables and impairment of intangible assets. Management bases its estimates and judgements on historical experience and on various other factors that are

assessed to be reasonable under the circumstances. Actual results may differ from estimates under different assumptions or conditions.

10.6 Valuation of Financial Instruments

Starting with the year ended December 31, 2018, financial assets were classified as measured at either amortised cost or fair value through profit or loss, based on the business model for managing the assets and the contractual terms of the assets. The business model reflects how the Group manages portfolios of financial assets in order to generate cash flows. The factors considered in determining the business model for a portfolio of financial assets include past experience on how the cash flows have been collected, how the financial assets' performance is evaluated and reported to management, how risks are assessed and managed and how compensation is linked to performance.

Financial assets at amortised cost are initially recognised at fair value plus transaction costs that are directly attributable to the issue or acquisition of financial assets and subsequently measured at amortised cost. Fair value is normally the amount advanced, including fees and commissions. The amortised cost is the amount at which the financial asset is measured at initial recognition minus repayments of principal, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and adjusted for any credit impairment provisions.

Financial assets at fair value through profit or loss are initially recognised and subsequently measured at fair value. Transaction costs that are directly attributable to the issue or acquisition of financial assets at fair value through profit or loss are expensed in profit or loss. The fair value of financial instruments is determined based on quoted prices in active markets. When such market prices are not available, generally accepted valuation models such as discounted future cash flows are used. The valuation models are based on observable market data, such as quoted prices in active markets for similar instruments or quoted prices for identical instruments in inactive markets.

10.7 Credit Impairments and Provisioning Levels

Following the implementation of IFRS 9, credit impairment provisions are measured according to an expected credit loss model and are intended to reflect an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes and considering all reasonable and supportable information available without undue cost or effort at the reporting date. Such provisions are measured according to whether there has been a significant increase in credit risk since the initial recognition of a financial instrument.

- Stage 1 includes financial instruments that have not experienced a significant increase in credit risk since initial recognition and financial instruments assessed by the Group as presenting "low credit risk" as of the reporting date, which is defined by the Group as having an investment grade equivalent rating.
- Stage 2 includes financial instruments that have deteriorated significantly in credit quality since the initial recognition but for which there is no objective evidence of credit impairment.
- Stage 3 includes financial instruments which are credit-impaired and for which there is objective evidence of impairment.

Credit losses expected within 12 months are recognised on instruments in Stage 1 and lifetime expected credit losses are recognised on instruments in Stage 2 and Stage 3. The lifetime expected credit losses represent losses from all possible default events over the remaining life of the financial instrument. The 12-month expected credit losses are losses resulting from default events that are

possible within 12 months after the reporting date, and consequently only a portion of the lifetime expected credit losses.

The Group measures credit impairment provisions using an expected credit loss approach. Expected credit losses are measured based on the stage to which the individual asset is allocated at each reporting date. If impairment decreases in subsequent periods, previously recognised impairment losses are reversed. Loans are never recognised at a value higher than what the amortised cost would have been if the impairment had not occurred. The carrying amount of loans is amortised cost less write-offs and provisions. Provisions for estimated losses on guarantees and other contingent liabilities are recognised on the liability side.

The year ended December 31, 2022 was a turbulent year. The war in Ukraine and the European energy crisis is affecting the world economy and GDP growth has been revised downwards. Compared to our expectations a year ago, inflation has been much higher while interest rates have increased at a faster pace. Consumption has started to decline as households' purchasing power has fallen. In the housing market, activity has slowed down markedly. In Sweden, housing prices have decreased since the peak at the beginning of the year. In the Baltics, the house prices remained stable. Compared with the Swedbank Economic Outlook, the GDP and unemployment rates used in the expected credit losses calculations are seasonally adjusted.

High inflation, energy prices and rising interest rates combined with geopolitical instability have affected individuals and companies, resulting in a high level of uncertainty regarding economic growth going forward. As the quantitative risk models do not yet reflect all potential deteriorations in credit quality, post-model adjustments to increase the credit impairment provisions continue to be deemed necessary.

The post-model expert credit adjustments amounted to SEK 1,738 million (SEK 1,796 million), which was attributable to continued uncertainty in certain sectors. The post-model expert credit adjustments were allocated as SEK 935 million (SEK 723 million) in Stage 1, SEK 802 million (SEK 1,071 million) in Stage 2 and SEK 1 million (SEK 2 million) in Stage 3. As of year-end, the main changes were that shipping and offshore and hotels and restaurant were reduced while property management and manufacturing were increased. The most significant post-model adjustments were in the property management, manufacturing, retail and wholesale, shipping and offshore, construction and transportation sectors.

Forward-looking information is incorporated into both the assessment of significant increase in credit risk and calculation of expected credit losses. The formulation and incorporation of multiple forward-looking scenarios are described in Note G3 Risks pages 84 to 85 in the 2022 Annual and Sustainability Report. There have been no significant changes during the year to the methodology.

The macroeconomic scenarios are provided by Swedbank Macro Research and are aligned with the Swedbank Economic Outlook. The economic scenarios are developed to reflect assumptions about future economic conditions given the current state of the local and global economies. The base scenario has an assigned probability weight of 66.6 per cent. and 16.7 per cent is assigned to both the upside and downside scenarios.

10.8 Goodwill Impairment

Goodwill is the excess cost of an acquisition over the fair value of its net assets. Goodwill is not amortised but is tested for impairment annually, or more frequently, if events or changes in circumstances indicate that it might be impaired. For the purposes of impairment testing, goodwill is allocated to each cash-generating unit or group of cash-generating units. Testing is conducted by calculating the recoverable amount, i.e. the higher of value in use or the realisable value. If the

recoverable amount is lower than the carrying amount, the asset is reduced to its recoverable amount. The Group's tests are done by calculating value in use. The calculation is based on estimated future cash flows from the cash-generating unit that the goodwill relates to and has been allocated to as well as when the cash flows are received. The first three years' cash flows are determined on the basis of the financial plans management has established. Subsequent determinations of the size of future cash flows require more subjective estimates of future growth, margins and profitability levels. In addition, a suitable discount rate is determined that in addition to reflecting the time value of money also reflects the risk that the asset is associated with. As far as possible, the discount rate and assumptions, or portions of the assumptions, are based on external sources. Nevertheless, the calculation is dependent in large part on management's own assumptions.

The Group's goodwill amounted to SEK 13,774 million as of December 31, 2022, of which SEK 11,257 million relates to the investment in the Baltic banking operations. As of the end of 2022, the impairment tests did not result in any impairment of such operations. Impairment tests include an assessed required Tier 1 capital ratio of 15 per cent.

The estimates that management has made are significant to the Group's results and financial position. However, goodwill impairment does not affect either cash flow or the capital adequacy ratio, since goodwill is a deduction in the calculation of the capital base. During 2001, 60 per cent of the Baltic subsidiaries were acquired. In 2005 the remaining 40 per cent was acquired. The majority, or SEK 11,387 million, of the goodwill before impairment losses as of December 31, 2011, arose through the acquisition of the remaining non-controlling interest and at the time corresponded to 40 per cent of the operation's total value. If the discount rate as of December 31, 2022 had been increased by one percentage point or the growth assumption had been reduced by one percentage point it would not have created any impairment losses in the Baltic banking operation.

Impairment tests on goodwill and other intangible assets are performed at least once a year and whenever there are indications of impairment of any such asset. The impairment tests are made for each cash generating unit, which means that the goodwill is tested for each Baltic country separately.

10.9 Pensions

The Group operates defined benefit pension schemes as described in the consolidated financial statements. However, the schemes have been closed to new employees since the beginning of 2013. The assets of the schemes are measured at their fair values at the balance sheet date. The liabilities of the schemes are estimated by projecting the growth in current accrued pension benefits to reflect inflation and salary growth to the date of pension payment, discounted to present value using assumed discount rates. In total, on December 31, 2022 the fair value of plan assets exceeded the obligation for funded defined benefit pension plans by SEK 2.4 billion, changing from a pension liability of SEK 1.8 billion at the end of 2021.

These assumptions are highly susceptible to change from period to period, and any change in the assumptions could result in a significant difference between the Group's estimates of the scheme liabilities and actual liabilities. Such a change in estimate could significantly alter the amount of the surplus or deficit recognised in the balance sheet and the pension cost charged to profit and loss.

10.10 Accounting Presentation

IFRS 17 was issued in May 2017 and amended in June 2020. IFRS 17 is applicable from January 1, 2023, with transition date January 1, 2022 and was approved by the EU in November 2021. IFRS 17 does not allow the unbundling of traditional life insurance that is made in accordance with IFRS 4 between investment contract, reported according to IFRS 9 Financial instruments, and insurance contracts. Instead, traditional life insurance in its entirety will be reported as an insurance provision.

Consequently, as of December 31, 2022, SEK 23 billion will be reclassified in the balance sheet from Liabilities for which the customers bear the investment risk to Insurance provisions. Related assets to traditional life insurance, amounting to SEK 22 billion as of December 31, 2022, will be reclassified in the balance sheet from Financial assets for which the customers bear the investment risk to Shares and participating interests.

The removal of the unbundling option in IFRS 4 means that the accounting judgment of whether an insurance contract transfers significant insurance risk or not will become more important. As of December 31, 2022, after the introduction of IFRS 17, the recognised amount for investment contracts amounted to SEK 269 billion, which mainly consists of unit-linked contracts. Even if part of the carrying amount were to be reclassified and presented as insurance provisions, it is the Group's judgement that there would not be a significant effect on the Group's financial position or results because of short contract boundaries. The contracts refer to long-term savings, but according to the accounting judgment these contracts have short contract boundaries as they in principle can be continuously price adjusted.

The profit or loss for insurance contracts will be reported in the income statement as Insurance result. In the notes the Insurance result will be divided to insurance revenue and insurance service expenses (insurance service result), insurance finance income or expenses and result of reinsurance contracts held. The income statement lines Insurance result and Return from financial assets backing insurance contracts with participating features are aggregated to Net insurance.

The definition in IFRS 17 of cash flows within contract boundaries includes not only premiums, claims, claim- and policy administration costs but also other overhead costs, both fixed and variable, which relate to the fulfilment of the insurance contract. This new definition means that for 2022, administrative expenses in the income statement of SEK 0.6 billion will be reclassified to Net insurance. Net insurance, restated for 2022 and including remeasurement impact, is expected to be SEK 1.1 billion lower than previously reported.

Due to the fact that IFRS 17 does not allow the unbundling made between investment contract and insurance contract according to IFRS 4, further minor reclassifications will be made between the income statement lines Net commission income, Net gains and losses on financial items and Net insurance.

The transition to IFRS 17 can be performed according to three different approaches: the full retrospective approach, the modified retrospective approach and the fair value approach. The Group will apply all approaches. In general, the full retrospective approach will be applied for risk insurance and reinsurance contracts. The fair value approach will mainly be applied to insurance contracts with direct participating features.

As of the transition date January 1, 2022, the Group's equity is expected to increase by SEK 0.5 billion. As of December 31, 2022, the Group's equity is not expected to be affected, because the expected restated profit for 2022 is lower than previously reported. The Tier one capital ratio is not affected.

10.11 Consolidated Income Statement

SEK million	For the year ended December 31,		
	2022	2021	2020
Interest income	45,298	30,364	33,791
Interest expenses.....	(12,141)	(3,316)	(6,075)
Net interest income.....	33,157	27,048	27,716
Net commission income.....	14,223	14,853	12,770
Net gains and losses on financial items.....	1,887	2,048	2,655

SEK million	For the year ended December 31,		
	2022	2021	2020
Net insurance	1,655	1,457	1,518
Share of profit or loss of associates and joint ventures.....	738	976	582
Other income.....	1,561	1,299	1,298
Total income	53,221	47,681	46,539
Staff costs.....	13,246	12,739	11,872
Other general administrative expenses.....	6,474	6,477	7,107
Depreciation/amortisation of tangible and intangible fixed assets.....	1,695	1,631	1,580
Administrative fine.....	—	—	4,000
Total expenses	21,415	20,847	24,560
Profit before impairments, Swedish bank tax and resolution fees	31,806	26,834	21,979
Impairments of intangible assets.....	1,125	56	—
Impairments of tangible assets.....	13	—	2
Credit impairments.....	1,479	170	4,334
Swedish bank tax and resolution fees.....	1,831	791	863
Profit before tax	27,358	25,817	16,780
Tax expense.....	5,478	4,945	3,851
Profit for the year	21,880	20,872	12,929
Profit for the year attributable to the shareholders of Swedbank AB	21,877	20,871	12,929
Non-controlling interests.....	3	1	0

10.11.1 Interest Income

Consolidated interest income was SEK 45,298 million in 2022, compared to SEK 30,364 million in 2021. Higher lending volumes contributed and lower lending margins during the year offset the increase in 2022. Interest rates on loans to the public increased from 1.82 per cent on average in 2021 to 2.27 per cent on average in 2022 and interest rates on loans to credit institutions increased from 0.36 per cent in 2021 to 1.19 per cent in 2022. In Swedish Banking, higher average volumes contributed, but lending margins were lower. Interest income on bonds and other interest bearing securities increased from SEK 177 million in 2021 to SEK 935 million in 2022, mainly as a result of higher average interest rates and higher average volumes. Other interest income and derivative interest income increased from SEK 355 million in 2021 to SEK 469 million in 2022, primarily due to increases in derivatives income.

Consolidated interest income was SEK 30,364 million 2021, compared to SEK 33,791 million in 2020. Lower market interest rates on most of the products mainly contributed to this decrease in 2021. Interest rates on loans to the public decreased from 1.93 per cent on average in 2020 to 1.82 per cent on average in 2021 and interest rates on loans to credit institutions decreased from 0.55 per cent in 2020 to 0.36 per cent in 2021. In Swedish Banking, lower average market interest rates negatively affected net interest income, but this was partly offset by higher lending margins. Interest income on bonds and other interest bearing securities decreased from SEK 378 million in 2020 to SEK 177 million in 2021, mainly as a result of lower average interest rates and lower average volumes. Other interest income and derivative interest income decreased from SEK 827 million in 2020 to SEK 355 million in 2021, primarily due to decreases in derivatives income.

The components of interest income are set out below:

SEK million	For the year ended December 31,		
	2022	2021	2020
Cash and balances with central banks	3,272	(1,129)	(547)
Treasury bills and other bills eligible for refinancing with central banks etc	1,177	86	76
Loans to credit institutions	770	189	314
Loans to the public.....	40,886	30,624	32,645
Interest-bearing securities.....	935	177	378
Total interest-bearing instruments.....	47,041	29,947	32,866
Derivatives.....	463	292	637
Other assets	6	63	190
Total assets	47,509	30,302	33,693
<i>Deduction of trading interests reported in net gains and losses on financial items</i>	<i>(2,211)</i>	<i>(62)</i>	<i>(98)</i>
Interest income	45,298	30,364	33,791

10.11.2 Interest Expenses

Consolidated interest expenses were SEK 12,141 million in 2022, compared to SEK 3,316 million in 2021. In 2022, interest expenses increased primarily due to higher deposit margins resulting from higher market interest rates. The fee for state deposit guarantees increased by SEK 35 million to SEK 496 million in 2022, compared to SEK 461 million in 2021.

Consolidated interest expenses were SEK 3,316 million in 2021, compared to SEK 6,075 million in 2020. In 2021, interest expenses decreased primarily due to lower expenses related to debt securities in issue. The fee for state deposit guarantees decreased by SEK 105 million to SEK 461 million in 2021, compared to SEK 566 million in 2020.

SEK million	For the year ended December 31,		
	2022	2021	2020
Amounts owed to credit institutions	1,248	(208)	204
Deposits and borrowings from the public.....	5,081	354	847
Debt securities in issue	10,602	4,633	7,282
Senior non-preferred liabilities	659	213	102
Subordinated liabilities	911	764	821
Interest-bearing liabilities	18,501	5,756	9,256
Derivatives.....	(5,306)	(2,879)	(3,450)
Other liabilities	58	80	99
Total liabilities	13,253	2,957	5,905
<i>Deduction of trading-related interests reported in net gains and losses on financial items</i>	<i>(1,112)</i>	<i>359</i>	<i>(170)</i>
Interest expenses	12,141	3,316	6,075

10.11.3 Net Interest Income

Consolidated net interest income increased by 23 per cent to SEK 33,157 million in 2022, compared to SEK 27,048 million in 2021. Underlying net interest income improved mainly on account of higher deposit margins and a better return on central bank investments. Higher lending volumes also contributed. Lower lending margins during the year and an adjustment to the deposit guarantee in 2021 offset the increase. Net interest income increased within Swedish Banking, Baltic Banking and LC&I.

Consolidated net interest income decreased by 2 per cent to SEK 27,048 million in 2021, compared to SEK 27,716 million in 2020. Group net interest income decreased mainly as a result of lower margins and higher expenses for surplus liquidity after deposits increased faster than lending. Net interest income decreased within Swedish Banking and LC&I, but increased in local currency in Baltic Banking.

10.11.4 Net Commission Income

<u>SEK million</u>	For the year ended December 31,		
	2022	2021	2020
Asset management and custody	6,530	7,238	5,721
Payment processing	816	809	891
Cards	3,312	2,965	2,532
Lending	1,104	1,056	938
Real estate brokerage	188	224	192
Corporate Finance	74	89	100
Life Insurance	170	280	338
Other	2,029	2,192	2,058
Total	14,223	14,853	12,770

Consolidated net commission income decreased 4 per cent to SEK 14,223 million in 2022, compared to SEK 14,853 million in 2021. Income from asset management decreased due to the downturn in the capital markets, while income from card operations increased as pandemic restrictions were lifted during the year.

Consolidated net commission income increased 16 per cent to SEK 14,853 million in 2021, compared to SEK 12,770 million in 2020, primarily as a result of increases in asset management, due to the higher average assets under management. Income from cards and corporate finance also contributed to the increase.

10.11.5 Net Gains and Losses on Financial Items

<u>SEK million</u>	For the year ended December 31,		
	2022	2021	2020
Total fair value through profit or loss	(1,139)	364	1,318
Total hedge accounting	(31)	56	(26)
Amortized costs			
Derecognition gain or loss for financial liabilities	572	(32)	(112)
Derecognition gains or loss for financial assets	18	208	214
Trading related interest	1,099	297	72
Change in exchange rates	1,368	1,155	1,189
Total	1,887	2,048	2,655

Consolidated net gains on financial items decreased to SEK 1,887 million in 2022, compared to SEK 2,048 million in 2021. A positive valuation effect in 2021 in connection with Hemnet's IPO and a negative result this year due to the sale of the Danish mortgage portfolio had a negative effect. Revaluations of the trading portfolio of corporate bonds had a negative effect, while repurchases of own bonds positively impacted the comparison.

Consolidated net gains on financial items decreased to SEK 2,048 million in 2021, compared to SEK 2,655 million in 2020. The decrease was mainly due to lower fixed income trading within LC&I.

10.11.6 Net Insurance

Net insurance increased by 14 per cent in 2022 from SEK 1,457 million in 2021 to SEK 1,655 million in 2022. The increase was mainly attributable to higher premiums in both life and non-life insurance operations, which was partly offset by higher provisions for non-life business.

Net insurance decreased by four per cent in 2021 from SEK 1,518 million in 2020 to SEK 1,457 million in 2021. The decrease was mainly attributable to higher provisions in both life and non-life insurance operations, which was partly offset by higher premiums for both life and non-life business.

10.11.7 Share of Profit or Loss in Associates and Joint Ventures

The consolidated share of profit in associates decreased to SEK 738 million in 2022, compared to SEK 976 million in 2021, mainly because Entercard's profit decreased.

The consolidated share of profit in associates increased to SEK 976 million in 2021, compared to SEK 582 million in 2020, mainly because associated companies were charged with provisions for credit impairments tied to the pandemic outbreak in the previous year.

10.11.8 Other Income

Consolidated other income includes capital gains and losses on the sale of ownership interests in subsidiaries and associates to the extent they do not represent an independent service line or a significant business conducted within a geographical area. Other income also includes capital gains and losses on the sale of tangible assets.

Consolidated other income increased by SEK 262 million to SEK 1,561 million in 2022 compared to SEK 1,299 million in 2021.

Consolidated other income increased by SEK 1 million to SEK 1,299 million in 2021 compared to SEK 1,298 million in 2020.

Staff Costs

SEK million	For the year ended December 31,		
	2022	2021	2020
Salaries and Board fees.....	8,651	8,161	7,524
Compensation through shares in Swedbank AB.....	174	195	178
Social insurance charges.....	2,415	2,348	2,117
Pension costs.....	1,465	1,493	1,579
Training costs.....	88	74	82
Other staff costs.....	453	468	393
Total.....	13,246	12,739	11,873

Since July 1, 2010 Swedbank has paid parts of its variable remuneration in the form of shares. This remuneration is accrued as an expense until the shares are settled. As a result, variable remuneration allocated to employees during the period differs from the recognised amount. The purpose of the programme is to build long-term commitment among employees through deferred remuneration in the form of shares.

Consolidated staff costs increased to SEK 13,246 million in 2022 compared to SEK 12,739 million in 2021. Staff costs increased due to a higher number of employees. Variable staff costs decreased to SEK 347 million, compared to SEK 422 million in 2021. The number of full-time positions increased

by 238 positions in 2022. There was a decrease of 50 positions in Swedish Banking, an increase of 77 positions in Baltic Banking, a decrease of 253 positions in Group Functions & Other and a decreased of 42 positions in LC&I.

Consolidated staff costs increased to SEK 12,739 million in 2021 compared to SEK 11,873 million in 2020. Staff costs increased due to a higher number of employees. Variable staff costs increased to SEK 422 million, compared to SEK 362 million in 2020. The number of full-time positions increased by 352 positions in 2021. There was an increase of 79 positions in Swedish Banking, a decrease of eight positions in Baltic Banking, an increase of 195 positions in Group Functions & Other and an increase of 86 positions in LC&I.

Other General Administrative Expenses

SEK million	For the year ended December 31,		
	2022	2020	2020
Premises	469	454	459
IT expenses.....	2,665	2,550	2,318
Telecommunications, postage	108	126	162
Consulting	804	933	1,545
Compensation to savings banks	225	228	231
Other purchased services.....	1,081	939	1,054
Travel	86	18	62
Entertainment.....	28	22	26
Office supplies.....	70	79	95
Advertising, public relations, marketing.....	246	301	420
Security transports, alarm systems.....	71	71	68
Maintenance.....	119	126	94
Other administrative expenses	441	498	468
Other operating expenses	62	132	105
Total	6,474	6,477	7,107

Consolidated other general administrative expenses decreased by SEK 3 million to SEK 6,474 million in 2022, compared to SEK 6,477 million in 2021. Consulting expenses to manage money laundering related investigations increased by SEK 88 million to SEK 443 million. IT expenses increased to SEK 2,665 million compared to SEK 2,550 million in 2021.

Consolidated other general administrative expenses decreased by SEK 630 million to SEK 6,477 million in 2021, compared to SEK 7,107 million in 2020. Consulting expenses to manage money laundering related investigations decreased by SEK 497 million to SEK 355 million. IT expenses increased to SEK 2,550 million compared to SEK 2,318 million in 2020.

10.11.9 Depreciation and Amortisation

Consolidated depreciation and amortisation increased by SEK 64 million to SEK 1,695 million in 2022, compared to SEK 1,631 million in 2021. This increase is mainly attributable to other, intangible assets and right-of-use assets for rented premises.

Consolidated depreciation and amortisation increased by SEK 51 million to SEK 1,631 million in 2021, compared to SEK 1,580 million in 2020. This increase is mainly attributable to other, intangible assets and right-of-use assets for rented premises.

10.11.10 Impairment of Intangible Assets

There has been an impairment of intangible assets in 2022 of SEK 1,125 million related to impairment of goodwill associated with PayEx and Swedbank's Norwegian operations as well as impairment of proprietary software. There was an impairment of intangible assets of SEK 56 million in 2021 and no impairment of intangible assets in 2020.

10.11.11 Impairment of Tangible Assets

There has been an impairment of tangible assets in 2022 of SEK 13 million compared to no impairment of tangible assets in 2021.

There has been no impairment of tangible assets in 2021 compared to SEK 2 million from 2020.

10.11.12 Credit Impairment

Credit impairments amounted to SEK 1,479 million in 2022 compared to SEK 170 million in 2021. The increase in credit impairments compared to credit impairments in 2021 were mainly explained by weaker macroeconomic scenarios as well as negative rating and stage migration. Swedish Banking constituted the largest part of the credit impairments for 2022. Credit impairments in Swedish Banking amounted to SEK 1,037 million (as compared to SEK -42 million in 2021 and were mainly explained by weaker macroeconomic scenarios and negative rating and stage migrations. Credit impairments in Baltic Banking amounted to SEK 402 million (as compared to SEK 160 million in 2021) and were mainly explained by weaker macroeconomic scenarios as well as negative rating and stage migration. Credit impairments in LC&I amounted to SEK 23 million (as compared to SEK 57 million in 2021), A weaker macroeconomic outlook was offset by lower credit impairment provisions for individually assessed counterparties in the oil and offshore sector as well as lower expert credit adjustments. The post-model expert credit adjustments amounted to SEK 1,738 million (SEK 1,796 million as of December 31, 2021), attributable to continued uncertainty in certain sectors. The post-model expert credit adjustments are allocated as SEK 935 million in stage 1, SEK 802 million in stage 2 and SEK 1 million in stage 3. The most significant adjustments were in the property management, manufacturing, retail and wholesale, shipping and offshore, construction and transportation sectors., See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Credit Impairments and Provisioning Levels" and "Presentation of Certain Financial and Other Information".

Credit impairments amounted to SEK 170 million in 2021 compared to SEK 4,334 million in 2020. The decrease in credit impairments compared to credit impairments in 2020 was strongly impacted by the COVID-19 outbreak. Additional provisions in oil and offshore in 2021 were largely offset by improved macroeconomic scenarios. Baltic Banking constituted the largest part of the credit impairments for 2021. Credit impairments in Swedish Banking amounted to SEK -42 million (as compared to SEK 664 million in 2020). In 2020, credit impairments were impacted by the outbreak of the pandemic. Credit impairments in Baltic Banking amounted to SEK 160 million (as compared to SEK 237 million in 2020), mainly due to expert credit adjustments for sectors affected by COVID-19 at the beginning of the year. Credit impairments in LC&I amounted to SEK 57 million (as compared to SEK 3,425 million in 2020), mainly driven by individual provisions for a few counterparties in oil and offshore. The post-model expert credit adjustments increased to SEK 1,796 million (SEK 1,533 million as of December 31, 2020), attributable to continued uncertainty in certain sectors. The post-model expert credit adjustments are allocated as SEK 723 million in stage 1, SEK 1,071 million in stage 2 and SEK two million in stage 3. The most significant adjustments are in the shipping and offshore, hotels and restaurants, retail and wholesale and manufacturing sectors. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Credit Impairments and Provisioning Levels" and "Presentation of Certain Financial and Other Information".

10.11.13 Tax Expense

Consolidated operating profit amounted to SEK 27,358 million in 2022, compared to SEK 25,817 million in 2021. The consolidated tax expense recorded was SEK 5,478 million in 2022, compared to SEK 4,945 million in 2021, resulting in an effective tax rate of 20.0 per cent in 2022 and 19.2 per cent in 2021. The higher effective tax rate this year is largely due to the non-deductible impairment of goodwill related to PayEx and Swedbank's Norwegian operations and a lower share of income from

associated companies and joint ventures. The Group's effective tax rate is estimated to be at 19 to 21 per cent in the medium term.

Consolidated operating profit amounted to SEK 25,817 million in 2021, compared to SEK 16,780 million in 2020. The consolidated tax expense recorded was SEK 4,945 million in 2021, compared to SEK 3,851 million in 2020, resulting in an effective tax rate of 19.2 per cent in 2021 and 22.9 per cent in 2020. Profit in 2021 included, inter alia, the SFSA's fine, which was not tax deductible. The Group's effective tax rate is estimated to be at 19 to 21 per cent in the medium term.

10.11.14 Profit (Loss) Attributable to the Shareholders of Swedbank.

Consolidated profit for the year attributable to the shareholders of Swedbank in 2022 increased by 5 per cent to SEK 21,880 million, compared to SEK 20,872 million in 2021, due to higher income. Higher credit impairments, impairments of intangible assets and higher expenses affected profit negatively together with the introduction of the Swedish bank tax. Return on equity was 13.3 per cent in 2022, compared to 13.2 per cent in 2021. The Group's cost/income ratio was 0.40 for the year ended December 31, 2022 and 0.44 for the year ended December 31, 2021.

Consolidated profit for the year attributable to the shareholders of Swedbank in 2021 increased by 61 per cent to SEK 20,872 million, compared to SEK 12,929 million in 2020, due to higher income and lower credit impairments, and because the Swedish FSA's administrative fine was paid in 2020. Return on equity was 13.2 per cent in 2021, compared to 8.9 per cent in 2020. The Group's cost/income ratio was 0.44 for the year ended December 31, 2021 and 0.54 for the year ended December 31, 2020.

10.12 Results of Operations – Segmental Presentation

The segmental income statement data set out below does not include intra-group eliminations. The effects of Swedbank's ownership of Swedbank AS are included in Baltic Banking in the form of financial costs, Group goodwill and amortisation of the surplus value in the lending and deposits portfolios identified at the time of the acquisition in 2005.

Financial reporting is divided into four segments: Swedish Banking, Baltic Banking, LC&I and Group Functions & Other. Group Treasury, Group Savings, Group Lending & Payments and Group IT are included in Group Functions & Other.

<u>SEK million</u>	<u>For the year ended December 31,</u>		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Swedish Banking			
Net interest income	20,814	15,472	16,826
Net commission income	8,727	9,205	7,922
Net gains and losses on financial items.....	372	586	351
Other income	1,828	1,855	1,593
Total income.....	31,741	27,118	26,692
Baltic Banking			
Net interest income	8,348	5,369	5,444
Net commission income	3,073	2,779	2,585
Net gains and losses on financial items.....	405	437	369
Other income	857	767	903
Total income.....	12,683	9,352	9,301
Large Corporates & Institutions			
Net interest income	4,877	3,947	4,022
Net commission income	2,621	2,955	2,345
Net gains and losses on financial items.....	822	981	1,868
Other income	310	315	322
Total income.....	8,630	8,198	8,557

Group Functions & Other			
Net interest income	(899)	2,271	1,424
Net commission income	(213)	(89)	(82)
Net gains and losses on financial items.....	288	44	67
Other income	2,371	1,654	580
Total income	1,547	3,880	1,989

For information on consolidated income statement data, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Consolidated Income Statement."

10.13 Assets and Liabilities

10.13.1 Assets

Total assets increased by SEK 104 million from SEK 2,751 billion to SEK 2,855 billion between December 31, 2021 and December 31, 2022. Loans to customers increased by SEK 122 billion. The contribution to the increase came from mortgages in Swedish Banking, which increased by SEK 23 billion and mortgages in Baltic Banking, which increased by SEK 17 billion. Corporate lending increased by SEK 78 billion. An increase in lending to tenant-owner associations led to an increase of SEK 3 billion. Foreign exchange effects increased the value of lending volumes by SEK 26 billion compared with 2021. Cash and balances with central banks increased by SEK 6 billion and financial assets for which customers bear the risk decreased by SEK 38 billion.

Total assets increased by SEK 156 million from SEK 2,595 billion to SEK 2,751 billion between December 31, 2020 and December 31, 2021. Assets increased by SEK 63 billion, due to higher lending to the public, excluding the SNDO and repurchase agreements. The biggest contribution to the increase came from mortgages in Swedish Banking, which increased by SEK 44 billion. Corporate lending increased by SEK 9 billion. A decrease in lending to tenant-owner associations led to a decrease of SEK 1 billion. Foreign exchange effects increased the value of lending volumes by SEK 8 billion compared with 2020. Cash and balances with central banks increased by SEK 66 billion and financial assets for which customers bear the risk increased by SEK 76 billion.

10.13.2 Liabilities

Total liabilities increased by 3 per cent from SEK 2,589 billion to SEK 2,679 billion between December 31, 2021 and December 31, 2022. The increase in total liabilities was mainly attributable to deposits from customers, which increased by a total of SEK 40 billion in 2022.

Total liabilities increased by 6 per cent from SEK 2,439 billion to SEK 2,589 billion between December 31, 2020 and December 31, 2021. The increase in total liabilities was mainly attributable to deposits and borrowings from the public, which increased by a total of SEK 130 billion in 2021, excluding the SNDO and repurchase agreements.

10.14 Liquidity and Capital Resources

10.14.1 Funding and Liquidity Strategy

Liquidity risk refers to 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).

In accordance with the Board of Directors' liquidity risk framework, Group Treasury has the overall responsibility to centrally manage the Group's liquidity risks according to the principles and limits outlined by the Board of Directors and Chief Executive Officer.

Swedbank's funding strategy is based on the structure of its assets. More than half of Swedbank's lending consists of Swedish mortgages, which are primarily financed through covered bonds. Swedbank is one of the leading savings banks in its home markets. Deposit volumes, together with covered bonds and shareholder equity, cover the majority of Swedbank's total funding requirements.

The share of unsecured funding is mainly determined by Swedbank's liquidity needs and the buffer it wants to maintain in its cover pool in the form of over-collateralisation in order to withstand fluctuations in housing prices. Another driver for the issuance of senior preferred and non-preferred debt is Swedbank's MREL requirement. The first stage of the MREL requirement required compliance by January 1, 2018 and the second and final step by January 1, 2024. On October 18, 2021, the SNDO published the policy on implementation of BRRD II requirements. The SNDO assessment showed that, as of December 31, 2022, Swedbank fulfilled its requirements by a healthy margin. Expressed as a percentage of REA, the requirement (as measured as of 2023 year-end data) stands at 28.0 per cent for 2024.

The main liquidity measure used by the Board of Directors and executive management is the survival horizon, which shows how long the Group can manage long periods of stress in capital markets in which access to new financing would be limited. As of December 31, 2022, the Group would be able to survive for more than 12 months without the need to access the capital markets. This applies to the Group's total liquidity as well as liquidity in U.S. dollar and euro. This is an internally developed calculation which may not be comparable to similar measures published by other banks.

Swedbank's funding strategy is also closely linked to the credit quality of the assets in the balance sheet. One of Swedbank's focus areas for managing liquidity risk is to ensure that it retains high quality in all lending. Swedbank strives to match unsecured funding against assets of an equivalent amount and maturity.

Liquidity risks are measured and reported daily through analyses of the Group's cumulated net financing requirement, based on daily contractual cash flows and the volume of liquid assets eligible for refinancing. These measures, showing the Group's expected future cash flows, provide important information for liquidity risk management and for the planning of the Group's funding. Impacts from non-contractual cash flows are measured through different simulations and stress tests.

Swedbank Management is of the opinion that the Group's working capital (i.e., its ability to access cash and other available liquid resources) is sufficient for it to meet its liabilities as they become due for a period of 12 months after the date of this Base Prospectus.

For more information regarding liquidity risk management, see "Risk Management — Liquidity Risk".

10.14.2 Sources of Funding

Swedbank uses a number of different funding programmes for its short and long-term funding, including programmes for commercial paper, certificates of deposit, covered bonds and senior unsecured debt.

In 2022, Swedbank took the opportunity to enter the EUR, GBP and USD markets with eight benchmark transactions. There was also a continued increase in deposits to meet around SEK 173 billion of maturing long-term debt for the full year, including an AT1 instrument which was called in March 2022 and a Tier 2 instrument which was called in November 2022. The funding plan is based on future maturities of long-term debt and is mainly affected by changes in deposit volumes and loan growth and is therefore adjusted during the year. Swedbank has a lower level of funding maturing in 2023, but due to regulatory growth and loan growth development the funding plan is relatively stable compared to 2022. During 2022, Swedbank observed a stable demand for its debt which was

confirmed by the investor interest in the benchmark transactions. Credit premium paid versus peers decreased during the year. Swedbank was less active in the domestic covered bond market due to the inflow of deposits and lower demand for loans.

In 2022, Swedbank issued a total of SEK 127 billion in long-term debt, of which SEK 24 billion was issued in the fourth quarter, compared to issues of SEK 138 billion in 2021. Covered bond issues accounted for SEK 56 billion of the total in 2022. In 2023, Swedbank plans to issue SEK 109 billion in debt instruments to meet maturing funding with a nominal value of SEK 127 billion and credit demand, mainly in Swedish mortgages. As of December 31, 2022, outstanding short-term funding amounted to SEK 316 billion. Available cash and balances with central banks and excess reserves with the SNDO amounted to SEK 370 billion.

The Group's liquidity reserve amounted to SEK 561 billion as of December 31, 2022, compared to SEK 546 billion as of December 31, 2021. The liquidity reserve and the Liquidity Coverage Ratio (the "LCR") fluctuate over time depending on, among other factors, the maturity structure of Swedbank's issued securities. As of December 31, 2022, the Group's LCR was 160 per cent (compared to 163 per cent as of December 31, 2021) and 168 per cent and 285 per cent, respectively, for USD and EUR. Pursuant to the revised Capital Requirements Regulation ("CRR2") (EU Regulation 2019/876), as of December 31, 2022 Swedbank's Net Stable Funding Ratio ("NSFR") was 118 per cent, compared to 123 per cent as of December 31, 2021.

The Group	
SEK million, as of December 31, 2022	
	Total
Amount owed to credit institutions	72,826
Deposits and borrowings from the public.....	1,305,948
Debt securities in issue	784,206
Senior non-preferred liabilities	57,439
Subordinated liabilities.....	31,331
Total	2,251,750

10.14.3 Maturing Debts

As of December 31, 2022, the Group had external outstanding long-term issued debt amounting to nominal SEK 127 billion maturing in 2023, including a possible call of a Tier 2 instrument.

As of December 31, 2022, the maturity distribution of the Group's funding sources is reflected in the following table:

SEK million	<u><3 mths</u>	<u>3 mths-1yr</u>	<u>1-5 yrs</u>	<u>5-10 yrs</u>	<u>>10 yrs</u>	<u>Discount effect / no maturity</u>	<u>Total</u>
Amount owed to credit institutions....	55,880	5,925	11,021	—	—	—	72,826
Deposits and borrowings from the public.....	1,249,366	52,113	4,436	32	1	—	1,305,948
Debt securities in issue	183,297	256,252	348,681	13,760	17,412	(35,196)	784,206
Senior non-preferred liabilities	—	—	50,157	14,403	—	(7,121)	57,439
Subordinated liabilities	—	8,246	19,079	5,590	—	(1,584)	31,331
Total	1,488,543	322,536	433,374	33,785	17,413	(43,901)	2,251,750

Long-term funding with an original maturity of over one year had an average maturity of 34 months, of which 33 months for covered bonds and 28 months for senior preferred funding.

10.14.4 Deposits from the Public

The Group is among the market leaders in deposits in all of its home markets and its market shares have generally remained stable in all those markets during the last three years. As of December 31, 2022, the Group's total deposits and borrowings from the public amounted to SEK 1,306 billion. The Group's deposit base has increased during the last couple of years and increased by 3.2 per cent during 2022 mainly due to savings from private individuals, government support and quantitative easing from the Swedish Central Bank.

10.14.5 Covered Bonds

Swedbank Mortgage's lending to the public is mainly financed through deposits and capital market borrowing, primarily covered bonds. Swedbank Mortgage is the sole issuer of covered bonds within the Group.

Swedbank Mortgage is the market leading mortgage lender in Sweden with a market share of 22 per cent as of December 31, 2022.¹⁹ Swedbank's more than one million customers include Swedish homeowners, businesses, tenant-owner associations, municipalities and agricultural and forestry businesses.

10.14.6 Senior Preferred Debt

As a further source of funding, the Group had outstanding senior preferred debt amounting to SEK 123 billion as of December 31, 2022 as compared to SEK 130 billion as of December 31, 2021. The main purpose for senior preferred funding is to provide liquidity and to finance corporate lending and to fulfil the MREL requirement up to January 1, 2024.

10.14.7 Senior Non-Preferred Liabilities

In 2019 Swedbank issued senior non-preferred liabilities for the first time to fulfil the MREL subordination requirement. As of December 31, 2022, the sum of outstanding volumes is SEK 57 billion. According to the current MREL requirements, Swedbank can fulfill the 2024 subordination requirement with its own funds and senior non-preferred liabilities. The total subordination requirement as per January 1, 2024 is 20.5 per cent of risk exposure amount, equivalent of SEK 166 billion, excluding buffers (given capital requirements and REA as of December 31, 2022). The subordination requirement will be phased in linearly with 13.5 per cent subordination requirements for 2023.

10.14.8 Interbank Funding

The Group's dependence on interbank funding is low. As of December 31, 2022, amounts owed to credit institutions amounted to SEK 73 billion, compared to SEK 93 billion as of December 31, 2021.

10.14.9 Subordinated Debt Instruments

Swedbank had outstanding AT1 capital amounting to SEK 9,406 million as of December 31, 2022, as compared to SEK 13,624 million as of December 31, 2021. There was a call in November 2022 of a subordinated debt instrument. Swedbank called an AT1 note in March 2022.

Capital Adequacy

¹⁹ Statistics Sweden (Sw: *Statistiska Centralbyrån*, SCB), 2022-12-31, www.scb.se

The following table sets forth the consolidated capital adequacy data of the Group as of the dates indicated. The Group's insurance companies are consolidated according to the equity method instead of full consolidation. Joint venture companies EnterCard Group, Invidem AB and P27 Nordic Payment Platform AB consolidates through the proportional method instead of the equity method. Otherwise, the same principles for consolidations are applied as for the Group.

Consolidated situation,	As of December 31,		
	2022	2021	2020
Available own funds			
Common Equity Tier 1 capital	144,107	129,644	120,496
Tier 1 capital	153,320	143,022	128,848
Total capital	176,331	158,552	144,737
Risk-weighted exposure amounts			
Total risk exposure amount	809,438	707,753	689,594
Capital ratios as a percentage of risk-weighted exposure amount			
Common Equity Tier 1 capital ratio	17.8	18.3	17.5
Tier 1 ratio	18.9	20.2	18.7
Total capital ratio	21.8	22.4	21.0
Additional own funds requirements to address risks other than the risk of excessive leverage as a percentage of risk-weighted exposure amount			
Additional own funds requirements to address risks other than the risk of excessive leverage	2.3	1.7	2.0
Of which: to be made up of CET1 capital	1.5	1.2	1.4
Of which: to be made up if Tier 1 capital	1.8	1.3	1.7
Total SREP own funds requirements	10.3	9.7	10.0
Combined buffer and overall capital requirement as a percentage of risk-weighted exposure amount			
Capital conservation buffer	2.5	2.5	2.5
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State			
Institution specific countercyclical capital buffer	0.9	0.0	0.0
Systemic risk buffer.....	3.0	3.0	3.0
Global Systemically Important Institution buffer.....			
Other Systemically Important Institutional buffer.....	1.0	1.0	1.0
Combined buffer requirement.....	7.4	6.5	6.5
Overall capital requirements.....	17.7	16.2	16.5
CET1 available after meeting the total SREP own funds requirements.....	11.2	12.6	7.5
Leverage ratio			
Total exposure measure	2,735,019	2,626,642	2,526,721
Leverage ratio.....	5.6	5.4	5.1

Additional own funds requirements to address the risk of excessive leverage as a percentage of total exposure measure

Additional own funds requirements to address the risk of excessive leverage

Of which: to be made up of CET1 capital

Total SREP leverage ratio requirements	3.0	3.0	—
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Leverage ratio buffer and overall leverage ratio requirement as a percentage of total exposure measure

Leverage ratio buffer requirement

Overall leverage ratio requirement	3.0	3.0	—
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Liquidity Coverage Ratio (LCR)

Total high-quality liquid assets (HQLA) (Weighted value-average)	716,743	717,469	537,572
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Cash outflows – Total weighted value	578,133	528,742	413,139
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Cash inflows – Total weighted value	80,684	53,820	77,124
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Total net cash outflows (adjusted value)	497,449	474,922	336,015
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Liquidity coverage ratio (%).....	145.4	151.8	160.7
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Net Stable Funding Ratio (NSFR)

Total available stable funding.....	1,663,231	1,644,050	1,652,303
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Total required stable funding.....	1,404,092	1,331,522	1,316,918
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Net stable funding ratio (%).....	118.5	123.0	125.0
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Capital adequacy

As of December 31,

SEK million

2022	2021	2020
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Common equity tier 1 capital

Shareholders' equity according to the Group's balance sheet.....	176,064	161,670	155,168
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Anticipated dividend	(10,967)	(12,632)	(16,320)
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Deconsolidation of insurance companies

Value changes in own financial liabilities	(339)	(91)	(77)
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Cash flow hedges.....	(13)	(2)	2
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Additional value adjustments.....	(576)	(1,037)	(478)
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Goodwill	(13,863)	(13,590)	(13,414)
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Deferred tax assets	(106)	(68)	(78)
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Intangible assets	(4,005)	(4,427)	(4,116)
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Insufficient coverage for non-performing exposures	(11)	(1)	—
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Deductions of CET1 capital due to Article 3 CRR.....	(106)	(137)	(158)
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Shares deducted from CET 1 capital	(40)	(41)	(33)
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Pension fund assets	(1,930)	0	0
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Common Equity Tier 1 capital	144,107	129,644	120,496
Risk exposure amount			
Consolidated situation, SEK million			
Risk exposure amount credit risks, standardised approach	54,992	51,273	48,309
Risk exposure amount credit risks, IRB	336,516	287,328	299,652
Risk exposure amount default fund contribution	149	281	556
Risk exposure amount settlement risks	0	2	0
Risk exposure amount market risks	21,461	20,306	17,314
Risk exposure amount credit value adjustment	3,809	2,338	4,398
Risk exposure amount operational risks	79,995	75,618	73,521
Additional risk exposure amount, Article 3 CRR	71,411	29,302	19,800
Additional risk exposure amount, Article 458 CRR	241,106	241,305	226,044
Total risk exposure amount	809,438	707,753	689,594

Capital requirements¹

Consolidated situation SEK million

Capital requirement Pillar 1	124,756	102,624	99,991
<i>of which Buffer requirements</i> ²	60,001	46,004	44,824
Capital requirement Pillar 2 ³	18,374	12,032	13,712
Pillar 2 guidance ⁴	8,094	10,616	—
Total capital requirement including Pillar 2 guidance	151,225	125,272	113,703
Own funds	176,331	158,552	144,737

Notes:

- ¹ Swedbank's calculation based on the SFSA's announced capital requirements, including Pillar 2 requirements and Pillar 2 guidance.
- ² Buffer requirements include systemic risk buffer, capital conservation buffer, countercyclical capital buffer and buffer for other systemically important institutions.
- ³ Individual Pillar 2 requirement according to decision from SFSA SREP 2022.
- ⁴ From Q3 2021 Swedbank consolidated situation is subject to Pillar 2 guidance.

Basel III

On December 16, 2010, the Basel Committee published its final framework 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" framework). The CET 1 capital ratio according to requirements under Basel III is fully phased-in in Sweden. On a consolidated basis, the ratio of Swedbank's CET 1 capital to its REA was 17.8 per cent. as of December 31, 2022 and 18.3 per cent. as of December 31, 2021.

CET 1 capital increased by SEK 14.5 billion to SEK 144.1 billion as of December 31, 2022 compared to December 31, 2021. This change was mainly attributable to earnings, net of proposed dividend. The change in the accounting for employee benefits ("IAS 19"), which came into force in 2013, creates volatility in estimated pension liabilities and increased CET 1 capital by SEK 1.3 billion during 2022.

Subordinated debt included in the total capital increased by SEK 2.7 billion where Tier 2 capital increased by SEK 7.0 billion and AT1 capital decreased by SEK 4.2 billion.

The Group's REA increased during 2022 by SEK 101.7 billion to SEK 809.4 billion as of December 31, 2022 from SEK 707.8 billion as of December 31, 2021. Credit risk REA excluding additional REA for Article 458 (mortgage floor) increased by SEK 52.8 billion during 2022. Improved LGD levels resulting from increasing collaterals within retail mortgage customers in Swedish Banking and Baltic Banking as well as towards corporate customers within LC&I and Swedish Banking decreased REA by SEK 4.3 billion.

The risk weight floor for the Swedish mortgage portfolio of 25 per cent., the Norwegian residential real estate of 20 per cent., and the Norwegian corporate real estate of 35 per cent. decreased REA by SEK 0.2 billion under Article 458 of the Regulation (EU) No 648/2012, as amended by the Capital Requirements Regulation ("CRR") (EU) No 575/2013.

Increased exposures, including foreign exchange, have increased credit risk REA by SEK 51.0 billion, mainly due to increased exposures towards corporate customers within LC&I and Swedish Banking and retail and corporate customers within Baltic Banking. Probability of default migrations contributed to increases in credit risk REA of SEK 1.1 billion.

Counterparty credit risk decreased REA by SEK 2.3 billion, primarily due to decrease in derivatives. Other credit risk increased REA by SEK 7.3 billion which was mainly due to calibration of the Baltic models according to the new default definition but partly offset by shorter corporate maturities and SME decrease.

In December 2017, the Basel Committee presented the finalised Basel III regulations, referred to as Basel IV. The regulations contain a number of policy and supervisory actions to strengthen the reliability and comparability of risk-weighted capital ratios and reduce unjustified differences in capital requirements between banks and countries. The actions include revisions to the standardised approaches used to estimate banks' capital requirements for credit risk. A floor was introduced for banks that use internal models to calculate risk-weighted assets. The floor means that risk-weighted assets may not fall below 72.5 per cent. of the amount calculated using the standardised approach. The proposed changes would be introduced gradually starting in 2023 and be fully implemented by 2028. However, the recent proposal from the European Council proposes an EU implementation in 2025 through 2030, with transitional agreements in force until 2032.

The additional risk exposure amounts for Article 3 in the CRR resulted in a REA increase of SEK 42.1 billion, primarily associated with the frontloaded effect of the estimated REA impact from the introduction of the EBA's guidelines on IRB models.

Market risk REA increased by SEK 1.2 billion in 2022. Most of the increase was derived from the input to the internal model used when calculating market risk REA.

REA for credit valuation adjustment increased by SEK 1.5 billion in 2022. The main driver for the increase was lower total exposure at default ("EAD").

The annual update of the operational risk calculation during December 2022 contributed to an REA increase of SEK 4.4 billion. The increase in REA for operational risk was mainly due to increased income levels.

Since 2014, Swedish banks have been required to report their leverage ratio to regulators, and a formal disclosure requirement was introduced in the first quarter of 2015. Since June 28, 2021, a minimum leverage ratio requirement of 3 per cent. of the leverage ratio exposure measure ("LRE") is

applicable, in accordance with the regulation (EU) 2019/876 (“CRR II”). The SFSA decided to introduce Pillar 2 guidance on the leverage ratio requirement of 0.45 per cent. of LRE for Swedbank, which became effective on September 30, 2021. Swedbank’s leverage ratio was 5.6 per cent. as of December 31, 2022.

For a further discussion in relation to the Basel III reforms which were published on December 7, 2017, see “Regulatory Considerations—Banking Regulation & Supervision in Sweden—Capital adequacy & liquidity.”

10.14.10 Swedish Capital Requirements Regulation

Minimum CET 1 capital requirements, implemented capital buffers, Pillar 2 capital requirements and Pillar 2 Guidance that Swedbank is required to meet are set out in the table below:

Capital Requirements: Fully Implemented Buffers and Pillar 2 Requirements¹

	CET 1	AT1	T2	Total Capital ⁵
Pillar 1				
Minimum CET 1 Requirement	4.5%	1.5%	2.0%	8.0%
Systemic Buffer	3.0%	—	—	3.0%
Capital Conservation Buffer	2.5%	—	—	2.5%
Countercyclical Buffer ²	0.9%	—	—	0.9%
Other Systemically Important Institution Buffer (“O-SII”)	1.0%	—	—	1.0%
Total	11.9%	1.5%	2.0%	15.4%
Pillar 2				
Individual Pillar 2 Requirement ³	1.5%	0.3%	0.4%	2.3%
of which Interest rate risk in the banking book	0.5%	0.2%	0.2%	0.9%
of which Credit-related concentration risk	0.3%	0.1%	0.1%	0.5%
of which Adjustment to estimates of probability of default	0.2%	0.0%	0.0%	0.2%
of which Pension risk	0.0%	0.0%	0.0%	0.0%
of which Commercial real estate add-on	0.5%	0.0%	0.1%	0.7%
of which Other	0.0%	0.0%	0.0%	0.0%
Pillar 2 Guidance ³	1.0%	—	—	1.0%
Total	2.5%	0.3%	0.5%	3.3%
Capital Requirements	14.4%	1.8%	2.5%	18.7%

Notes:

¹ Swedbank’s calculation based on SFSA’s announced capital requirements, including fully implemented buffers, Pillar 2 requirements and Pillar 2 Guidance.

² The Pillar 2 Requirement according to SFSA’s SREP decision in September 2022.

³ Note: Values in columns and rows might not sum up exactly due to rounding.

In 2014, the SFSA decided which capital requirements would apply to Swedish banks beyond the minimum level of 7 per cent CET 1 capital (including the mandatory capital conservation buffer of 2.5 per cent) in accordance with the EU rules. As of January 1, 2015, the four major Swedish banks are required to maintain a systemic risk buffer of 3 per cent in CET 1 capital within the framework of Pillar 1 and a further 2 per cent within the framework of Pillar 2. The systemic risk charge within Pillar 2 was abolished in December 2020 and partly replaced by an O-SII buffer of 1 per cent which stacks on top of the systemic risk buffer in Pillar 1 and is to be fulfilled by CET1 capital. In September 2015, the Swedish countercyclical buffer (“CCyB”) rate was 1 per cent, and then it was raised to 1.5 per cent in June 2016, further increased to 2.0 per cent. in March 2017, and in September 2019 it was increased to 2.5 per cent. The countercyclical buffer rate was released to 0 per cent. in March 2020, as a response to the COVID-19 crisis. The SFSA decided in September 2021 to raise the CCyB rate to 1 per cent which came into effect 12 months later in September 2022. Furthermore, the SFSA decided to raise the CCyB rate to the neutral rate of 2 per cent in June 2022, which will come into effect in June 2023.

Due to the increase in the risk weight floor for the Swedish mortgage portfolio from 15 per cent. in 2013 to 25 per cent in 2014, Swedbank has been required to maintain additional CET 1 capital for

Swedish mortgages within the framework of Pillar 2. From the end of 2018, this Pillar 2 requirement has been replaced with the requirement within the framework of Article 458 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 CRR to include risk weight floor for Swedish mortgages in the Pillar 1 framework. The change has not materially affected Swedbank's CET 1 requirement expressed in nominal monetary terms. In addition, the SFSA decided in 2021 to recognise the Norwegian Ministry of Finance's decision to introduce an average risk weight floor for retail and corporate real estate exposures in Norway of 20 per cent. and 35 per cent respectively. As of December 31, 2022, Swedbank held an additional SEK 34.7 billion in CET 1 capital due to the risk weight floors under Article 458. In its internal controls, Swedbank allocates capital to its mortgage business equivalent to a 25 per cent risk weight floor.

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

The total capital requirement for Swedbank, calculated as of December 31, 2022 on the basis set out in the table above, is equivalent to a CET 1 capital ratio of 14.4 per cent. and a total capital requirement amounting to 18.7 per cent. Swedbank's actual CET 1 ratio and total capital ratio as of December 31, 2021 were 17.8 per cent. and 21.8 per cent., respectively. It is therefore expected that the Group has an adequate buffer above the fully implemented capital requirement to manage volatilities in capital and the REA. According to its financial targets Swedbank's Common Equity Tier 1 capital ratio will exceed the SFSA's requirement by 100 to 300 basis points.

For a further discussion in relation to the Basel III reforms which were published on December 7, 2017, please see "Regulatory Considerations – Banking Regulation and Supervision in Sweden – Capital adequacy and liquidity."

10.15 Off-Balance Sheet Obligations

The Group has no significant off-balance sheet obligations other than those entered into in the ordinary course of business.

10.16 Cash Flow

The tables below show the composition of the Group's cash flow for the years ended December 31, 2022, 2021 and 2020.

SEK million	For the year ended December 31,		
	2022	2021	2020
Cash and equivalents at the beginning of the year	360,153	293,811	195,286
Cash flow from operating activities	(18,620)	49,409	109,237
Cash flow from investing activities	691	628	1,383
Cash flow from financing activities	10,015	14,151	(8,698)
Cash flow for the year	(7,914)	64,188	101,922
Exchange rate differences on cash and cash equivalents	13,753	2,154	(3,397)
Cash and equivalents at end of the year	365,992	360,153	293,811

10.16.1 Operating Activities

Cash flow from operating activities is based on operating profit for the relevant year. Adjustments are made for items not included in cash flow from operating activities. Changes in assets and liabilities from operating activities consist of items which are part of normal business activities, such as loans to and deposits and borrowings from the public and credit institutions, and which are not attributable to investing and financing activities. Cash flow included interest receipts of SEK 43,898 million in 2022

compared to SEK 30,810 million in 2021 and interest payments of SEK 11,760 million in 2022 compared to SEK 4,068 million in 2021.

10.16.2 Investing Activities

Investing activities consist of purchases and sales of businesses and other fixed assets such as owner-occupied properties and equipment and strategic financial assets. Strategic financial assets refers to holdings of interest-bearing securities held to maturity and strategic shareholdings in companies other than subsidiaries and associates.

During 2022, contributions were provided to joint venture Invidem AB of SEK 49 million and P27 Nordic Payments Platform AB of SEK 72 million and Tibern AB of SEK 3 million. Shares were acquired in the associate Thylling Insight of SEK 11 million.

During 2021, contributions were provided to joint venture Invidem AB of SEK 25 million and P27 Nordic Payments Platform AB of SEK 25 million. Additional shares were acquired in associate BGC Holding AB of SEK 1 million. Shares in Hemnet Group AB were sold and Swedbank received a cash payment of SEK 110 million which is reported within Disposals of/maturity of other fixed assets and strategic financial assets in the cash flow statement.

During 2020, contributions were provided to joint venture Invidem AB of SEK 23 million and P27 Nordic Payments Platform AB of SEK 31 million. Visa Inc. A shares were sold and Swedbank received a cash payment of SEK 794 million, which is reported in Disposals of maturity of other fixed assets and strategic financial assets in the cash flow statement. Shares in the Finnish credit information company Enento Group were sold. Swedbank received a cash payment of SEK 570 million, which is reported in within Disposals of/maturity of other fixed assets and strategic financial assets in the cash flow statement. The associated company Svensk Mäklarstatistik AB was sold. Swedbank received a cash payment of SEK 5 million and the capital gain was SEK 3 million. Swedbank received a cash payment of SEK 71 million as a final payment for the 2017 sale of the associated company Hemnet AB.

10.16.3 Financing Activities

In 2022 cash flow from financing activities decreased by SEK 4,136 million to SEK 10,015 million, compared to SEK 14,151 million in 2021, primarily due to lower dividends paid and lower amount of issuance of senior non-preferred liabilities.

10.16.4 Cash and Cash Equivalents

Cash and cash equivalents consist of cash and balances with central banks, which correspond to the balance sheet item "Cash and balances with central banks". Cash and cash equivalents in the statement of cash flow are defined according to IAS 7 and do not correspond to what the Group considers liquidity.

11. Capitalisation and Indebtedness

The following table sets forth the capitalisation of the Group as of December 31, 2022. The table should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the audited consolidated financial statements of the Group incorporated by reference in this Base Prospectus.

11.1 Capitalisation and Indebtedness

	As of December 31, 2022	Total capitalisation and indebtedness
	(SEK million)	(%)
Liabilities		
Commercial paper.....	316,114	30.1%
Covered bonds	343,284	32.7%
Senior unsecured bonds	122,559	11.7%
Structure retail bonds	2,249	0.2%
Total debt securities in issue	784,206	74.8%
Senior non-preferred liabilities.....	57,439	5.5%
Subordinated liabilities	<u>31,331</u>	<u>3.0%</u>
Equity		
Restricted equity	66,279	6.3%
Non-restricted equity	109,784	10.5%
<i>of which Profit for the year</i>	21,877	2.1%
Non-controlling interests	<u>29</u>	<u>0.0%</u>
Total shareholders’ equity	<u>176,092</u>	<u>16.8%</u>
Total capitalisation and Indebtedness	<u>1,049,068</u>	<u>100.0%</u>

12. Selected Statistical and Other Information

The information below is unaudited and derived from the unaudited financial records of Swedbank and should be read in conjunction with the Group's consolidated financial statements and accompanying notes incorporated by reference in this Base Prospectus, as well as with the section "Presentation of Certain Financial and Other Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations".

12.1 Distribution of Assets, Liabilities and Shareholders' Equity

12.1.1 Average Balance Sheet Information and Information on Interest Rates

The following tables set forth the average balances of the Group's interest-earning assets and interest-bearing liabilities, other assets and liabilities, the interest generated from such assets and liabilities and average annualised return rate at each date presented. Average balances were calculated on the basis of monthly data.

<u>SEK million</u>	As of December 31, 2022		
	<u>Average balance</u>	<u>Interest income/expense</u>	<u>Average annual interest rate, %</u>
Assets			
Cash and balances with central banks	529,037	3,272	0.62
Treasury bills and other bills eligible for refinancing with central banks, etc	144,794	1,177	0.81
Loans to credit institutions.....	64,496	770	1.19
Loans to the public.....	1,799,150	40,886	2.27
Bonds and interest-bearing securities	75,467	935	1.24
Total interest-bearing instruments	2,612,944	47,041	1.80
Derivatives.....	56,018	463	—
Other assets	351,665	6	—
Total assets	3,020,628	47,509	1.57
<i>Deduction of trading interests reported in net gains/losses on financial items at fair value.....</i>	—	(2,211)	—
Interest income according to income statement ..	—	45,298	—
Liabilities			
Amounts owed to credit institutions	155,527	1,248	0.80
Deposits and borrowings from the public.....	1,353,980	5,081	0.38
<i>of which deposit guarantee fees.....</i>	—	496	—
Debt securities in issue	836,869	10,602	1.27
Senior non-preferred liabilities	49,208	659	1.34
Subordinated liabilities	28,731	911	3.17
Total interest-bearing instruments	2,424,315	18,501	0.76
Derivatives.....	51,927	(5,306)	—
Other liabilities	379,612	58	—
<i>Of which leasing liabilities</i>		44	
Total liabilities.....	2,855,854	13,253	0.46
Equity.....	164,773	—	—

Total liabilities and equity	3,020,628	—	
<i>Deduction of trading interests reported in net gains/losses on financial items at fair value</i>	—	(1,112)	—
Interest expense, according to income statement	—	12,141	—
Net interest income	—	33,157	—
Net investment margin before trading interest is deducted	—	—	1.13

As of December 31, 2021

<u>SEK million</u>	<u>Average balance</u>	<u>Interest income/expense</u>	<u>Average annual interest rate, %</u>
Assets			
Cash and balances with central banks	529,765	(1,129)	(0.21)
Treasury bills and other bills eligible for refinancing with central banks, etc.....	140,694	(86)	0.06
Loans to credit institutions.....	52,981	189	0.36
Loans to the public.....	1,683,510	30,624	1.82
Bonds and interest-bearing securities	66,681	177	0.27
Total interest-bearing instruments	2,473,632	29,947	1.21
Derivatives	40,589	292	—
Other assets	374,649	63	—
Total assets	2,888,870	30,302	1.05
<i>Deduction of trading interests reported in net gains/losses on financial items at fair value</i>	—	(62)	—
Interest income, according to income statement .	—	30,364	—
	—	—	—
Liabilities			
Amounts owed to credit institutions	158,702	(208)	(0.13)
Deposits and borrowings from the public.....	1,280,661	354	0.03
<i>of which deposit guarantee fees</i>	—	461	—
Debt securities in issue	831,480	4,633	0.56
Senior non-preferred liabilities	28,681	213	0.74
	25,429	764	3.00
Subordinated liabilities	—	—	—
Total interest-bearing instruments	2,324,953	5,756	0.25
Derivatives	31,985	(2,879)	—
Other liabilities	373,424	80	—
<i>of which leasing liabilities</i>	2,730,362	42	—
Total liabilities	2,730,362	2,957	0.14
Equity	158,508	—	—
Total liabilities and equity	2,888,870	—	—
<i>Deduction of trading interests reported in net gains/losses on financial items at fair value</i>	—	359	—
Interest expense, according to income statement	—	3,316	—
Net interest income	—	27,048	—
Net investment margin before trading interest is deducted	—	—	0.95

<u>SEK million</u>	As of December 31, 2020		
	<u>Average balance</u>	<u>Interest income/expense</u>	<u>Average annual interest rate, %</u>
Assets			
Cash and balances with central banks	332,928	(547)	(0.16)
Treasury bills and other bills eligible for refinancing with central banks, etc	143,126	76	0.05
Loans to credit institutions.....	57,207	314	0.55
Loans to the public.....	1 689,245	32,645	1.93
Bonds and interest-bearing securities	84,792	378	0.45
Total interest-bearing instruments	2,307,298	32,866	1.42
Derivatives	56,693	637	—
Other assets	306,870	190	—
Total assets	2,670,861	33,693	1.26
<i>Deduction of trading interests reported in net gains/losses on financial items at fair value</i>	—	(98)	—
Interest income, according to income statement	—	33,791	—
Liabilities			
Amounts owed to credit institutions	156,827	204	0.13
Deposits and borrowings from the public.....	1,108,462	847	0.08
<i>of which deposit guarantee fees.....</i>	—	566	—
Debt securities in issue	851,691	7,282	0.86
	10,811	102	0.94
<i>Subordinated liabilities</i>	<i>26,800</i>	<i>821</i>	<i>3.06</i>
Total interest-bearing instruments	2,154,591	9,256	0.43
Derivatives	48,237	(3,450)	—
Other liabilities	321,987	99	—
of which leasing liabilities	3,698	44	—
Total liabilities	2,524,815	5,905	0.27
Equity.....	146,046	—	—
Total liabilities and equity	2,670,861	—	—
<i>Deduction of trading interests reported in net gains/losses on financial items at fair value</i>	—	(170)	—
Interest expense, according to income statement	—	5,735	—
Net interest income	—	27,716	—
Net interest margin before trading interest is deducted.....	—	—	1.01

12.1.2 Changes in Interest Income; Volume and Rates Analysis

The following tables set forth the effect of changes in the Group's interest income resulting from fluctuations in the average volumes and average yield rate at each date presented.

<u>SEK million</u>	December 31, 2022 compared to December 31, 2021		
	<u>Increase/(decrease) due to changes</u>		
	<u>Average volume</u>	<u>Average interest</u>	<u>Net change</u>
Cash and balances with central banks	(728)	4,401	3,673
Treasury bills and other bills eligible for refinancing with central banks	4,100	1,091	5,191

December 31, 2022 compared to December 31, 2021			
Increase/(decrease) due to changes			
SEK million	Average volume	Average interest	Net change
Loans to credit institutions.....	11,515	581	12,096
Loans to the public.....	115,640	10,262	125,902
Bonds and interest-bearing securities	8,786	758	9,544
Total interest-bearing assets	139,312	17,094	156,406
Derivatives.....	15,429	171	15,600
Other assets	(22,984)	(57)	(23,401)
of which interest income reported in net gains/losses on financial items at fair value.....	—	(2,273)	(2,273)
Interest income according to income statement.....	131,758	14,934	146,692
Liabilities			
Amounts owed to credit institutions	(3,174)	1,456	(1,718)
Deposits and borrowings from the public.....	73,319	4,727	78,046
Debt securities in issue.....	5,389	5,969	11,358
Senior non-preferred liabilities	20,526	446	20,972
Subordinated liabilities	3,302	147	3,449
Interest-bearing liabilities.....	99,362	12,745	112,107
Derivatives.....	19,942	(2,427)	17,515
Other liabilities	6,188	(22)	6,166
of which interest income reported in net gains/losses on financial items at fair value.....	—	(1,471)	(1,471)
Interest expense according to income statement.....	125,492	8,825	135,317
December 31, 2021 compared to December 31, 2020			
Increase/(decrease) due to changes			
SEK million	Average volume	Average interest	Net change
Cash and balances with central banks	196,837	(582)	196,255
Treasury bills and other bills eligible for refinancing with central banks	(2,432)	10	(2,422)
Loans to credit institutions.....	(4,226)	(125)	(4,351)
Loans to the public.....	(5,735)	(2,021)	(7,756)
Bonds and interest-bearing securities	(18,111)	(201)	(18,312)
Total interest-bearing assets	166,334	(2,919)	163,415
Derivatives.....	(16,104)	(345)	(16,449)
Other assets	67,779	(127)	67,652
of which interest income reported in net gains/losses on financial items at fair value.....	—	(36)	(36)
Interest income according to income statement.....	218,009	(3,427)	214,582
Liabilities			
Amounts owed to credit institutions	1,875	(412)	1,463
Deposits and borrowings from the public.....	172,199	(493)	171,706
Debt securities in issue.....	(20,211)	(2,649)	(22,860)
Senior non-preferred liabilities	17,870	111	17,981
Subordinated liabilities	(1,371)	(57)	(1,428)

<u>SEK million</u>	December 31, 2021 compared to December 31, 2020		
	Increase/(decrease) due to changes		
	Average volume	Average interest	Net change
Interest-bearing liabilities	170,362	(3,500)	166,862
Derivatives.....	(16,252)	571	(15,681)
Other liabilities.....	51,437	(19)	51,418
of which interest income reported in net gains/losses on financial items at fair value.....	—	189	189
Interest expense according to income statement	205,547	(2,759)	202,788

12.1.3 Investment Portfolio

The following tables set forth information regarding the Group's investment portfolio of debt securities at the dates presented, together with information regarding when the instruments comprising the portfolio are due to mature:

<u>SEK million</u>	Carrying amount		
	As of December 31,		
	2022	2021	2020
Treasury bills			
Governments.....	149,212	160,461	134,145
Municipalities.....	2,271	3,129	3,046
Total	151,483	163,590	137,191
Bonds			
Mortgage institutions.....	31,471	29,135	25,192
Banks.....	15,565	13,299	15,445
Other financial companies.....	11,413	10,494	13,181
Non-financial companies.....	2,849	5,165	6,157
Total	61,298	58,093	59,975

<u>SEK million</u>	Book value			
	As of December 31, 2022			
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Treasury bills				
Governments.....	137,450	7,258	3,336	1,170
Municipalities.....	1,094	1,174	—	—
Total	138,545	8,432	3,336	1,170
Bonds¹				
Mortgage institutions.....	5,798	16,722	9,002	44
Banks.....	3,797	7,466	2,244	45
Other financial companies.....	1,900	7,934	1,540	—
Non-financial companies.....	1,200	3,396	184	24
Total	12,695	35,518	12,971	114

Note:

¹There are no issuers where the aggregated book value of the securities exceeds ten per cent of shareholders' equity.

12.2 Types of Loans

The following table sets forth a breakdown of the Group's loan portfolio at the dates presented:

SEK million	As of December 31,				
	2022	2021	2020	2019	2018
Sector/industry					
Private customers	1,178,655	1,134,368	1,080,892	1,053,328	1,030,507
Mortgage loans, private.....	1,031,854	991,148	939,087	905,092	876,157
Housing cooperatives.....	93,642	91,685	92,977	99,629	106,922
Other, private	53,160	51,535	48,828	48,607	47,428
Corporate customers	625,721	549,089	543,185	558,822	552,851
Agriculture, forestry, fishing.....	63,238	63,582	64,745	65,401	67,285
Manufacturing	49,218	37,255	39,084	43,418	43,669
Public sector and utilities.....	37,501	31,335	25,864	22,815	19,672
Construction.....	19,927	20,076	19,754	19,529	20,204
Retail	40,749	30,131	29,505	32,415	31,347
Transportation.....	14,731	13,295	12,982	15,228	16,391
Shipping and offshore	11,486	13,302	17,120	21,302	24,301
Hotels and restaurants.....	7,234	7,671	9,317	9,626	8,661
Information and communication ...	21,049	15,777	13,623	12,594	13,678
Finance and insurance.....	24,153	18,604	20,849	16,955	14,792
Property management.....	294,393	261,322	247,629	255,186	244,446
Professional services	25,829	19,653	21,348	24,841	29,967
Other corporate lending	16,213	17,086	21,365	19,512	18,438
Loans to the public excluding the Swedish National Debt Office and repurchase agreements.....	1,804,376	1,683,457	1,624,077	1,612,150	1,583,358
Loans to credit institutions excluding the Swedish National Debt Office.....	56,600	38,129	46,400	45,448	36,179
Loans to the public and credit institutions	1,860,976	1,721,589	1,670,477	1,657,598	1,619,537
Total provisions	6,049	5,022	8,169	6,684	6,026
Loans to the public and credit institutions, net	1,854,927	1,716,567	1,662,308	1,650,914	1,613,511

12.3 Maturities of Loans

The following table sets forth maturities of the Group's loan portfolio as of December 31, 2022:

SEK million	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years	Fair value adjustments	Total on Balance Sheet
Loans to credit institutions						
Swedbank.....	37,307	12,172	727	1,481	4,009	55,696
of which repurchase agreements.....	15	—	—	—	—	15
Other.....	45	15	—	—	835	893
Total.....	37,350	12,187	727	1,481	4,844	56,589
Loans to the public						
Swedbank.....	186,064	253,362	22,691	7,381	—	469,498
of which repurchase agreements.....	30,587	—	—	—	—	30,587
Swedbank Mortgage	32,703	89,063	99,006	919,785	(24,996)	1,115,561
Other.....	50,526	91,635	34,024	63,243	18,324	257,752
Total.....	269,293	434,060	155,722	990,408	(6,672)	1,842,811

12.4 Risk Elements

12.4.1 Stage 3 Loans and Credit Impairment

Please see “Risk Management—Loan Portfolio and Asset Quality” for further information on the Group's impaired loans as of December 31, 2022.

The following table sets forth information regarding the amounts of stage 3 loans as of December 31, 2022, 2021 and 2020.

SEK million	As of December 31,		
	2022	2021	2020
Stage 3 loans.....	5,738	6,362	10,530

The following table sets forth gross interest income as of December 31, 2022, 2021 and 2020, that would have been recorded if the loan had been current:

SEK million	As of December 31,		
	2022	2021	2020
Gross interest income, Stage 3 loans.....	224	198	389

The following table sets forth interest income on those loans that were included in the profit for the year ended on December 31, 2022, 2021, 2020:

SEK million	As of December 31,		
	2022	2021	2020
Interest income on Stage 3 loans.....	142	117	224

For more information on the impact of IFRS 9, please see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—IFRS 9”.

12.4.2 Analysis of Credit Impairments for Loans

The following table sets forth information regarding the Group’s allowance for credit impairments as of the dates presented:

The implementation of IFRS 9 on January 1, 2018 resulted in a change in the estimates and assumptions related to credit impairment provisions, as well as the Group’s presentation of credit impairments going forward. Please see “Risk Management—Loan Portfolio and Asset Quality” for further information on the Group’s impaired loans as of December 31, 2022.

The following table sets forth information regarding the Group’s allowance for credit impairments as of 2022, 2021 and 2020.

Credit Impairment	As of December 31,		
	2022	2021	2020
Loans at amortised Cost			
Impairment provisions – Stage 1	646	(71)	403
Impairment provisions – Stage 2	523	(596)	1,094
Impairment provisions – Stage 3	(545)	(2,884)	561
Impairment provisions – Credit impaired, purchased or originated ¹	1	(3)	(4)
Total	626	(3,554)	2,054
Write-offs	982	4,157	2,166
Recoveries	(157)	(225)	(174)
Total	826	3,932	1,992
Total – Amortised Cost	1,451	378	4,046
Commitments and financial guarantees			
Impairment provisions – Stage 1	77	26	149
Impairment provisions – Stage 2	13	(139)	269
Impairment provisions – Stage 3	(63)	(88)	(136)
Total	28	(201)	282
Total – Commitments and financial guarantees	28	(201)	282
Total Credit Impairment	1,479	170	4,334

12.4.3 Allocation of the Allowance for Credit Impairments

The following tables set forth an analysis of the Group's allocation of its allowance for credit impairments as of the dates presented.

Provisions for loans to the public and credit institutions

<u>SEK million</u>	As of December 31,				
	2022	2021	2020	2019	2018
Sector/industry					
Private customers	1,390	837	914	806	896
Mortgage loans, private.....	540	391	512	486	579
Housing cooperatives	19	5	11	22	27
Other, private.....	831	441	391	298	290
Corporate customers	4,634	4,177	7,227	5,873	5,127
Agriculture, forestry, fishing.....	257	84	101	141	157
Manufacturing.....	678	371	371	962	406
Public sector and utilities.....	98	41	41	42	39
Construction.....	209	100	194	254	103
Retail	484	294	527	489	657
Transportation.....	208	51	40	31	35
Shipping and offshore.....	1,106	2,154	4,509	2,827	2,506
Hotels and restaurants.....	219	428	389	54	32
Information and communications	70	25	48	81	235
Finance and insurance.....	38	14	51	20	19
Property management	1,074	443	710	627	618
Professional services.....	94	75	155	247	206
Other corporate lending	97	97	91	98	114
Loans to the public excluding the Swedish National Debt Office and repurchase agreements.....	6,024	5,014	8,141	6,679	6,023
Loans to credit institutions excluding the Swedish National Debt Office ...	27	8	28	5	3
Loans to the public and credit institutions	6,049	5,022	8,169	6,684	6,026

Per cent of loans in each category to total gross loans

<u>%</u>	As of December 31,				
	2022	2021	2020	2019	2018
Sector/industry					
Private customers	63.3	65.9	63.8	63.5	63.2
Mortgage loans, private.....	55.4	57.6	55.4	54.6	53.8
Housing cooperatives	5.0	5.3	5.5	6.0	6.6
Other, private.....	2.9	3.0	2.9	2.9	2.9
Corporate customers	33.6	31.9	32.0	33.7	33.9
Agriculture, forestry, fishing.....	3.4	3.7	3.8	3.9	4.1
Manufacturing.....	2.6	2.2	2.3	2.6	2.7
Public sector and utilities.....	2.0	1.8	1.5	1.4	1.2
Construction.....	1.1	1.2	1.2	1.2	1.2
Retail	2.2	1.8	1.7	2.0	1.9
Transportation.....	0.8	0.8	0.8	0.9	1.0
Shipping and offshore.....	0.6	0.8	1.0	1.3	1.5
Hotels and restaurants.....	0.4	0.4	0.5	0.6	0.5
Information and communications	1.1	0.9	0.8	0.8	0.8
Finance and insurance.....	1.3	1.1	1.2	1.0	0.9
Property management	15.8	15.2	14.6	15.4	15.0

Per cent of loans in each category to total gross loans

%	As of December 31,				
	2022	2021	2020	2019	2018
Professional services	1.4	1.1	1.3	1.5	1.8
Other corporate lending	0.9	1.0	1.3	1.2	1.1
Loans to the public excluding the Swedish National Debt Office and repurchase agreements.....	97.0	97.8	95.8	97.3	97.2
Loans to credit institutions excluding the Swedish National Debt Office and repurchase agreements.....	3.0	2.2	2.7	2.7	2.2
Loans to the public and credit institutions	100.0	100.0	100.0	100.0	100.0

12.4.4 Short-Term Borrowings

The following table sets forth information regarding the Group's short-term borrowings for the periods presented:

As of December 31, 2022					
<u>SEK million</u>	Period end balances	Average balance	Maximum month end balance	Average interest rate during the period (%)	Average interest rate at period end (%)
Amounts owed to credit institutions					
Swedish banks	29,434	46,816	61,482	—	—
Other Swedish credit institutions	5,099	11,410	24,818	—	—
Foreign banks	38,175	96,934	130,727	—	—
Other foreign credit institutions	119	368	934	—	—
Total	72,827	155,527	217,961	0.81	1.71
Debt securities in issue					
Debt securities in issue	784,206	836,869	826,874	—	—
Total	784,206	836,869	826,874	—	1.35
As of December 31, 2021					
<u>SEK million</u>	Period end balances	Average balance	Maximum month end balance	Average interest rate during the period (%)	Average interest rate at period end (%)
Amounts owed to credit institutions					
Swedish banks	35,869	49,045	85,577	—	—
Other Swedish credit institutions	6,056	14,752	30,696	—	—
Foreign banks	50,656	94,529	123,571	—	—
Other foreign credit institutions	231	376	1,345	—	—
Total	92,812	158,702	241,188	(0.13)	(0.22)
Debt securities in issue					
Debt securities in issue	735,917	831,480	918,260	—	—
Total	735,917	831,480	918,260	—	0.63
As of December 31, 2020					
<u>SEK million</u>	Period end balances	Average balance	Maximum month end balance	Average interest rate during the period (%)	Average interest rate at period end (%)
Amounts owed to credit institutions					
Swedish banks	82,124	74,373	110,361	—	—
Other Swedish credit institutions	8,354	9,110	15,618	—	—
Foreign banks	59,578	71,196	92,594	—	—
Other foreign credit institutions	257	2,148	8,175	—	—
Total	150,313	156,827	226,749	0.13	0.14
Debt securities in issue					
Debt securities in issue	732,814	851,691	962,906	—	—
Total	732,814	851,691	962,906	—	0.99

12.5 Deposits

Transaction accounts include all deposits against which the account holder is permitted to make withdrawals by negotiable or transferable instruments, payment orders of withdrawal, or telephone or pre-authorised transfers for the purpose of making payments to third persons or others.

Savings accounts are accounts with the primary purpose of accumulating funds over a period of time. With savings accounts customers may make withdrawals, but do not have the flexibility of using checks

to do so. Some savings accounts require funds to be kept on deposit for a minimum length of time, but most permit unlimited access to funds.

Other deposits consist mainly of bank drafts and currency accounts.

The following tables set forth information regarding the Group's deposit base at the dates presented:

SEK million	For the year ended December 31,		
	2022	2021	2020
Interest paid to the customer	5,081	354	847
Volumes, average	1,353,980	1,280,661	1,108,462
Interest rate (%)	0.38	0.03	0.08

SEK million	As of December 31, 2022					Without maturity date / change in value
	Within 3 months	3 months- 1 year	1 to 5 years	5 to 10 years	Over 10 years	
Maturity of deposits	48,734	52,113	4,436	32	1	1,200,632

12.6 Return on Equity and Assets

The following table sets forth the Group's return on total assets, return on equity, dividend pay-out ratio and equity to assets ratio as of the dates presented:

	For the year ended December 31,		
	2022	2021	2020
Return on total assets	0.72%	0.72%	0.48%
Return on equity	13.3%	13.2%	8.9%
Dividend pay-out ratio	50%	61%	25%
Equity to assets ratio	6.2%	5.9%	6.0%

13. Risk Management

Swedbank defines risk as a potentially negative impact on the value of the Group that may arise from current internal processes or from internal or external future events. The concept of risk combines the probability of an event occurring with the impact such event would have on profit and loss, equity and value of the Group.

Risk arises in all financial operations, hence a deep understanding and solid management of risk is central for any successful business.

The Board of Directors has adopted an Enterprise Risk Management (“ERM”) policy depicting the risk framework, risk management process and the roles and responsibilities for risk management. Swedbank continuously identifies the risks generated in its operations and has designed processes to manage them.

13.1 The Group’s Risk Management Builds on Three Lines of Defence

Successful risk management requires a strong risk culture and a common approach. Swedbank has built its approach to risk management on the concept of three lines of defence, with a clear division of responsibilities between the risk owners in the first line of defence responsible for managing risks and the various control functions, i.e. Group Risk, Group Compliance and Group Internal Audit.



13.2 Three levels of risk management

13.2.1 First Line of Defence – Risk Management by Business Operations

The first line of defence refers to all risk management activities carried out by the business areas, product areas and group functions. First line management take or are subject to risks and are responsible for continuous and active risk management. Management owns the risk within their respective area of responsibility and are responsible for ensuring there are appropriate processes and internal control structures in place that aim to ensure that risks are identified, assessed, managed, monitored, reported and kept within the boundaries of the Group’s appetite in accordance with the risk management framework. First line responsibilities also include establishing relevant governance structure and to secure that activities comply with external and internal requirements. An important part of the Risk Management Framework is to clarify the ultimate risk management responsibility of the first line of defence.

13.2.2 Second Line of Defence – Risk and Control Functions

The second line of defence refers to the independent management functions, the risk control organisation (“Group Risk”) and the compliance organisation (“Group Compliance”). These functions define the risk management framework, covering all material risks that the Group faces. The framework governs how to identify, assess, measure, manage, monitor and report on risks. The second line also monitors and assesses whether effective risk management processes and controls are implemented by relevant risk owners. The second line challenges and validates the first line’s risk management activities, controls and analyses the Group’s material risks and provides independent risk assessment and reporting to the CEO and the Board.

The second line of defence is organisationally independent from first line and may not carry out operational activities in the business or the unit they monitor and control.

13.2.3 Third Line of Defence – Internal Audit

The third line of defence refers to Group Internal Audit, which is governed by and reports to the Board. Group Internal Audit is responsible for evaluating governance, risk management and control processes within the First and Second lines of defence. Internal Audit is organisationally independent from the First line and Second line of defence and may not carry out operational activities in the other functions.

13.3 Credit Risk

Credit risk is defined as the risk that a counterparty fails to meet its obligations to the Group and the risk that pledged collateral will not cover the claims. Concentration risk, country risk, and counterparty credit risk in trading transactions, including settlement risk are also part of Swedbank’s credit risks.

Swedbank’s credit risk appetite states that the Group shall maintain a well-diversified credit portfolio with a low-risk exposure. The focus is on long-term customer relationships and credit exposures are mainly concentrated to customers in Swedbank’s four home markets, including the other Nordic countries where Swedbank has branches. Exposures outside the home markets shall have a direct link to the home market business or be necessary for supporting this business.

The credit risk appetite statement governs the credit portfolio through four principles: (i) strong asset quality, (ii) sound loan growth, (iii) prevent risk drivers and (iv) avoid concentration. Risk limits and complementary key risk indicators (“KRIs”) for credit risk are based on these four principles and are defined on a Group level and business area level.

13.3.1 Loan Portfolio and Asset Quality

Swedbank’s loan portfolio is concentrated to low-risk segments such as private mortgages, tenant-owner associations, and residential property management. Conservative lending standards and close dialogue with customers are keys to the sustained high credit quality.

Swedbank’s credit quality remained strong in 2022, despite the challenging macro-economic situation. Credit quality indicators, such as past-due loans, remained largely unchanged. High inflation, raising interest rates and a weaker economy, however, have created challenges that are expected to impact credit quality, which is reflected in the increased credit impairments.

Credit impairments in 2022 amounted to SEK 1,479 million (compared to SEK 170 million in 2021) and the credit impairment ratio was 0.08 per cent (compared to 0.01 per cent in 2021). Weaker macro-economic scenarios, also affecting negative rating and stage migrations, were the main drivers for the new credit impairment provisions. Few new individual provisions were made which together with

reversals due to decreased exposures within oil and offshore lead to net reversals of individually assessed exposures.

The buffer of post-model expert credit adjustments, to cover potential future credit impairments, originally related to COVID-19, amounted to SEK 1,738 million at the end of 2022 (compared to 1,796 million at the end of 2021). High inflation, high energy prices and rising interest rates combined with geopolitical instability continue to weigh on private persons and companies, yielding high uncertainty regarding economic development going forward. As the quantitative risk models do not yet reflect all potential deteriorations in credit quality, post-model adjustments to increase the credit impairment provisions continue to be deemed necessary.

Swedbank's total lending, carrying amount, increased to SEK 1,799 billion in 2022 (compared to SEK 1,678 billion in 2021), with growth in both corporate and private mortgage loans. Corporate lending grew by SEK 78 billion, of which SEK 32 billion to property management, mainly to existing large clients in Sweden and Norway.

Swedbank's growth in mortgage loans in Sweden was 2.6 per cent, which was lower than previous year, impacted by lower housing market activity and lower prices. Swedbank's mortgage growth in the Baltic countries was 8.2 per cent in local currencies. The housing market slowed also in Estonia, Latvia and Lithuania, but prices remained largely stable due to the need of modern housing.

Private mortgage loans constitute 57 per cent of Swedbank's total loan portfolio, where 89 per cent is in Sweden and 11 per cent is in the Baltic countries. The private mortgage portfolio is of high quality with low historical loan losses and low average loan-to-value ratios. Lending is based on the borrower's repayment capacity, including the ability to manage a significantly increased interest rate and still be able to afford relevant loan amortisation and other costs of living.

Property management constitutes the second largest loan concentration, 16 per cent of the total loan portfolio. The lending is diversified to different segments with 45 per cent relating to mainly offices and 29 per cent to residential properties. The main part of the property management loans, 80 per cent, is in Sweden, 12 per cent is in Norway and Finland, and 8 per cent is in the Baltic countries. Swedbank's underwriting criteria is focused on stable cash flows and the customer's long-term ability to make interest payments and amortisations on the loan. In addition, customers should be financially strong, and collateral should have sound loan-to-value ratios. The average LTV ratio in total property management lending was 53%, of which 55% for residential properties and 52% for other properties.

At the Group level, stage 3 (impaired) loans gross decreased by SEK 624 million in 2022 to SEK 5,738 million as of year-end, mainly driven by divestments and restructurings of oil-related exposures, partly offset by smaller increases of Stage 3 loans in various sectors.

The following table sets forth the Group's carrying amount of loans to the public and credit institutions as of December 31, 2022:

SEK million	Non credit-impaired						Credit impaired			Total
	Stage 1 12-month ECL			Stage 2 Lifetime ECL			Stage 3 Lifetime ECL			
	Gross carrying amount	Impairment provision	Net	Gross carrying amount	Impairment provision	Net	Gross carrying amount	Impairment provision	Net	
Geographical distribution										
Sweden.....	1,384,283	930	1,383,353	104,196	1,459	102,737	2,364	767	1,598	1,487,688
Estonia.....	93,313	97	93,216	13,240	297	12,943	774	205	568	106,227
Latvia	37,660	105	37,555	6,607	117	6,491	184	45	139	44,185
Lithuania	73,969	101	73,867	11,498	278	11,219	421	101	320	85,407

SEK million	Non credit-impaired						Credit impaired			Total
	Stage 1 12-month ECL			Stage 2 Lifetime ECL			Stage 3 Lifetime ECL			
	Gross carrying amount	Impairment provision	Net	Gross carrying amount	Impairment provision	Net	Gross carrying amount	Impairment provision	Net	
Norway.....	45,568	170	45,399	2,279	119	2,160	1,881	890	991	48,550
Denmark.....	246	—	246	—	—	—	3	2	1	247
Finland.....	21,003	65	20,938	628	135	494	—	—	—	21,432
USA.....	2,382	—	2,382	—	—	—	111	111	—	2,382
Other.....	1,764	30	1,734	—	—	—	—	—	—	1,734
Loans to the public excluding the Swedish National Debt Office and repurchase agreements ...	1,660,189	1,498	1,658,691	138,449	2,404	136,044	5,738	2,121	3,617	1,798,352
Sector/Industry										
Private customers	1,107,994	168	1,107,827	68,617	546	68,071	2,043	676	1,367	1,177,206
Mortgage loans, private	973,876	68	973,809	56,758	243	56,514	1,219	229	990	1,031,313
Tenant owner association ...	90,170	7	90,163	3,468	12	3,456	4	0	4	93,623
Other, private	43,948	93	43,855	8,392	291	8,1014	820	446	374	52,330
Corporate customers	552,194	1,330	550,864	69,831	1,858	67,973	3,695	1,445	2,250	621,087
Agricultural, forestry, fishing	55,387	88	55,299	7,609	130	7,479	241	39	203	62,981
Manufacturing.....	43,283	279	43,004	5,670	295	5,375	264	104	161	48,540
Public sector and utilities	35,435	58	35,378	2,048	38	2,011	17	2	15	37,403
Construction.....	15,502	64	15,438	4,318	91	4,228	107	54	52	19,718
Retail.....	36,568	246	36,322	4,043	188	3,856	137	51	87	40,265
Transportation.....	12,747	78	12,669	1,936	120	1,819	48	10	38	14,522
Shipping and offshore.....	8,454	39	8,415	1,150	177	973	1,881	890	991	10,380
Hotels and restaurants.....	3,003	29	2,975	3,946	129	3,817	285	62	223	7,015
Information and communications.....	19,536	53	19,483	1,508	15	1,493	5	1	4	20,979
Finance and insurance.....	23,247	21	23,226	885	11	874	22	7	15	24,115
Property Management	260,973	320	260,652	32,954	576	32,379	466	178	288	293,319
Residential properties.....	69,573	56	69,518	16,167	253	15,914	103	16	87	85,519
Commercial.....	123,507	170	123,337	7,925	207	7,717	208	127	81	131,134
Industrial and warehouse....	40,805	47	40,758	5,142	59	5,083	16	3	13	45,853
Other property management	27,087	47	27,040	3,722	56	3,665	140	33	107	30,813
Professional services.....	23,514	31	23,483	2,251	51	2,201	65	13	52	25,735
Other corporate lending.....	14,546	24	14,522	1,511	39	1,472	156	35	122	16,116
Loans to customers.....	1,660,189	1,498	1,658,691	138,449	2,404	136,044	5,738	2,121	3,617	1,798,352
Cash collateral posted	3,605	—	3,605	—	—	—	—	—	—	3,605
Loans to Swedish National Debt Office.....	10,004	—	10,004	—	—	—	—	—	—	10,004
Loans to credit institutions	56,453	26	56,427	147	0	146	—	—	—	56,573
Loans to the public and credit institutions at amortised cost	1,730,251	1,524	1,728,727	138,596	2,404	136,191	5,738	2,121	3,617	1,868,535

The following table sets forth the Group's exposure at default ("EAD") distributed by risk grade and business segment, as of December 31, 2022:

SEK million	Swedish Banking	Baltic Banking	Large Corporates & Institutions	Group Functions & Other	Total
Exposure at Default					
Default.....	2,284	1,309	2,034	—	5,627
0-5; 50-54High risk.....	10,854	15,959	752	6	27,571
6-8; 55Increased risk...	30,637	35,162	6,633	237	72,669
9-12; 56Normal risk.....	128,849	107,942	70,452	176	307,419
13-17; 57-58Low risk...	341,435	70,294	241,767	612	654,108

Non-rated exposures...	804,998	14,896	105,498	522,871	1,448,263
Standardised approach	142	9,428	360	7,480	17,410
- of which companies not included in Swedbank Group	—	—	—	—	16,383
Total	1,349,386	269,307	446,714	538,933	2,604,340

Swedbank uses a number of different models for risk classification of counterparties, customers, and/or contracts, where each counterparty or contract is assigned a risk grade. For each risk grade, a risk value has been quantified and established. The probability of default indicates the risk that a counterparty or contract will default within a 12-month period.

The table below describes the Group's risk scale used in the internal ratings based ("IRB") approach and how it relates to the probability of default within 12 months and to an indicative rating from Standard & Poor's.

Internal risk grade	PD (%)	Standard & Poor's (Indicative Rating)
Default	100	D
0-5	>5.7-99.9	C to B
6-8	>2.0-5.7	B+ to BB-
9-12	>0.5-2.0	BB to BB+
13-17	0.1-0.5	BBB- to BBB+
18-21	<0.1	A- to AAA

13.3.2 **Credit risk governance**

In the ERM Policy, the Board of Directors has established a risk management and control process. For more information relating to the Group's risk management and control process, see "Risk Management—The Group's Risk Management Builds on Three Lines of Defence" and "Risk Management—Three levels of risk management".

In the credit risk area, the governance structure is as follows:

The business units, the first line of defence, are responsible for the operational credit management of their customers and own all credit risks that arise within their area of operation. The head of the unit ensures that all credits are assessed, decided, administered and followed-up in accordance with the credit framework, including establishing an integrated internal control of high quality in the credit process. The head of each business unit shall also make sure that the credit transactions are in line with Swedbank's strategies, policies, and instructions. The business unit is furthermore accountable for the profitability connected to the credit decision.

The Group Risk organisation, the second line of defence, is responsible for independent monitoring and control of the credit risk management carried out by the business operations (first line of defence). This includes verification that internal rules and processes defined in the credit risk framework are complied with, and that the first line of defence has adequate controls in place. Group Risk also has the responsibility to maintain, develop and monitor the risk classification system. Group Risk shall independently report relevant risk information to the CEO and the Board.

The Group Compliance organisation, also within the second line of defence is, in the credit risk area, responsible for screening and control of regulatory compliance.

The Group Internal Audit organisation, the third line of defence, is governed by and reports to the Board. It performs independent periodic reviews of the credit management and the credit control processes within the first and second line of defence.

13.3.3 Credit risk operations

All credit management and processes shall be governed by materiality and risk considerations. The main processes of the credit operations include credit risk assessment, decision on credit risk, and credit monitoring and review, as described below.

A sustainable repayment ability and an adequate financial position of the customer or counterparty are key factors when granting credits. Environmental, social and governance (“ESG”) considerations shall be an integrated part of all credit operations in order to identify and avoid undesired risk, and to assume risk in support of Swedbank’s desire for an environmentally, socially, financially and ethically sustainable society.

Credit risk assessment, including business analysis, is the basis for a credit decision. Relevant ESG aspects shall be included in the analysis of the counterparty’s opportunities and risks. The credit assessment covers the counterparty’s capacity to repay. It also includes collateral considerations and other risk mitigating actions, as well as terms and conditions for the credit arrangement. Risk-classification of the counterparty is an important part of the credit risk assessment.

Decisions on credit proposals are made according to an established structure of credit decision-making bodies. The primary credit decision is made in a credit decision-making body within the business area responsible for the borrower and its credit risk. Credit proposals implying higher risks are reassessed and finally decided by an upper credit committee. For smaller standardised credits automated solutions for credit assessment and decision-making may be used.

13.3.4 Credit risk control and reporting

The Credit Risk unit within the Group Risk organisation oversees the Group’s credit risk development and reports monthly to the CRO, who informs the CEO and the Board. Important parts of the monthly risk reports are credit portfolio trends and findings from stress tests and other analyses. The control and monitoring of credit exposures against risk limits are also performed monthly and reported to the CRO in a credit risk limit report.

The Credit Risk unit conducts stress tests on selected sectors, typically the largest sectors, and specific segments or exposure types with potentially increased risks. For relevant sectors, stress tests using climate scenarios are made to assess climate risk exposure at the portfolio level. Furthermore, the Credit Risk unit performs annual reviews of all sectors including portfolio risk profiles and industry outlook.

Group Risk annually performs a thorough and comprehensive stress test of the entire Group, the ICAAP, which includes a credit loss stress of the total credit portfolio. Credit monitoring and review of individual credit risk exposures is performed continuously by the business units to identify early any change in credit risk. In addition to continuous monitoring, corporate customers, financial institutions, and sovereigns are also reviewed at least annually. If a counterparty’s risk has deteriorated, several corrective measures are considered and implemented, with the objective to avoid impairment, and/or minimise the risk of loss in case of default. A key component in management of exposures with materially increased risk is the watch list process.

13.3.5 Credit risk mitigation

Swedbank uses several ways to mitigate credit risk, including:

- Credit policy and credit strategy with a clear guidance on the low-risk appetite for the bank.
- The credit risk limit framework including key risk indicators to monitor and protect against unwanted risk-taking.
- The use of financial and physical collateral valued using the Group's common valuation methodologies, risk transfer mechanisms such as guarantees and insurance, and covenants in credit documentation.
- The use of hedging strategies, netting agreements and clearing through central counterparties.
- Diversification or increasing the portfolio mix of customers.

When granting credits, Swedbank applies adequate credit protection, e.g., pledged collateral and guarantees. The collateral, its value and risk mitigating effect are considered through the credit process

The most common types of pledged collateral used by Swedbank are residential real estate, including tenant-owner rights, commercial real estate, floating charges and financial instruments. Credits without collateral are mainly granted for small loans to private customers or loans to large companies with very solid repayment capacity. For the latter, special loan covenants are commonly created, which entitle Swedbank to renegotiate or terminate the agreement if the borrower's repayment capacity deteriorates, or if the conditions are otherwise breached.

The valuation of collateral is based on a thorough review and analysis of the pledged assets, and is an integrated part in the credit risk assessment. The establishment of the collateral value is part of the credit decision. The value of the collateral is reassessed as part of periodic credit reviews and in situations where Swedbank has reason to believe that the value has deteriorated, or the exposure has become non-performing.

The established value of the collateral shall correspond to the most likely sales price at the date of valuation estimated in a qualitative process and characterised by prudence. For financial collateral, such as debt securities and equities, valuation is normally performed daily and reduced when applicable.

13.4 Counterparty Credit Risk ("CCR")

Counterparty credit risk (including settlement risk) refers to the risk that a counterparty to a trading transaction would not meet its final obligations towards Swedbank and that collateral held would not be enough to cover their claims. Counterparty credit risk encompasses derivatives, repurchase agreements and securities financing contracts. The majority of Swedbank's counterparty credit risk emanates primarily from two units: LC&I and Group Treasury.

13.5 Management and Measuring Counterparty Credit Risk

Swedbank's counterparty credit exposure arises mainly as a result of hedging its own positions in market risk in foreign exchange, interest rate and other derivatives from customer-related trading activities. Derivative and securities financing transactions' market values fluctuates over time to maturity and require that the uncertainty of the potential future market conditions are taken into account

and estimated when measuring exposure. Positive derivative values generate counterparty credit risk and consequently the claim towards the counterparty increases when/if the positive derivative market value increases.

For risk management purposes, counterparty credit risk is measured as potential future exposure (“PFE”) at the ninety-fifth percentile using an advanced simulation-based framework covering a majority of the counterparty credit risk in the Group. The simulation-based method takes close-out netting agreements and collateral agreements into account. For transactions not included in the simulation-based calculation Swedbank uses an enhanced version of SA-CCR where several adaptations have been made for the approach to fit the purpose of internal risk management and exposure calculation. Risk measurement and evaluation is an ongoing process and Swedbank makes regular assessments. These assessments facilitate the monitoring of risks and help to ensure that limits are relevant to individual counterparties. The follow-up and measurement of counterparty credit risk exposure against approved limits is performed in a system specific to the task.

In addition to standard measurements of counterparty credit exposure, the Group conducts stress tests to estimate the effects of tail events. The portfolio of stress tests being carried out includes various ad-hoc stress tests pertaining to political, market or other macro events. Effects on counterparty exposures, credit losses, RWA, collateral flows and market values are considered.

Wrong-Way-Risk (“WWR”) is defined by the International Swaps and Derivatives Association (“ISDA”) as the risk that occurs when “exposure to a counterparty is adversely correlated with the credit quality of that counterparty.” WWR is divided into specific and general WWR. Existence of specific WWR is identified by monitoring counterparties generating trades to capture any trade where there is a legal connection between the counterparty and the underlying issuer. General WWR is typically measured via a range of stress test scenarios. Swedbank examines sectors and/or counterparties individually to detect relationships and significant correlation between exposures and counterparties’ probabilities of default.

13.6 Mitigating Counterparty Credit Risks

The Group uses a variety of tools to mitigate counterparty credit risk of which the most important is close-out netting agreements and collateral management, as outlined below. The Group restricts the size of its counterparty credit risk exposure by setting and approving the counterparty’s risk exposure limits, a number of factors have to be taken into account; including, but not limited to, guidance from the core credit policies, procedures and standards, and judgement and experience of credit risk professionals, the credit quality and rationale of the trading activity. Limits for counterparty credit exposures are assessed, set, and allocated in Swedbank’s regular credit process, which is designed to support Swedbank’s strategy of maintaining a well-diversified risk profile with a balance between risk and return. Limits are reviewed at least annually.

The Group continuously mitigates counterparty credit risk by means of, *inter alia*, netting, portfolio compression activities, use of collateral, and steering exposure and risk to clearing houses.

13.6.1 Netting and Collateral Management

The Group actively mitigates its counterparty credit risk by establishing close-out netting agreements whereby all positive and negative derivative market values under an agreement at a counterparty level can be netted.

The Group strives to have ISDA Master Agreements supplemented with Credit Support Annex(es) (“CSA”) agreements in place with all financial counterparties, and larger corporate counterparties concerned to ensure a well-functioning netting and collateral management process. For counterparties

with whom such agreements have been entered, exposures can be off-set and reduced by making collateral calls on a daily basis.

To reduce the potential market risk embedded in the collateral management, the Group applies rating-based and tenor-based haircuts and mainly accepts cash as collateral. The vast majority of the current received, and pledged collateral is cash, but interest-bearing security instruments are also used. The credit memoranda provided to credit committees will pre-determine and specify, in accordance with the Group directive on eligible collateral related to OTC derivatives, the acceptable form of collateral for each individual counterparty as part of the credit review process. Financial collateral is subject to a daily monitoring and an independent valuation.

The threshold amounts are generally set to zero in order to limit the uncollateralised exposure. Under the EMIR framework for corporate clients, the amount is still negotiable, but no threshold amount is allowed with regards to Financial Institutions.

Other actions to mitigate counterparty credit risk include steering exposure and risk to clearing houses, which is standard procedure and mandatory for a range of products, to reduce bilateral counterparty credit risk. The counterparty credit risk can also be closed out through various portfolio compression activities.

13.6.2 Credit Derivatives

Rather than using credit derivatives to mitigate counterparty credit risk in its trading operations, the Group prefers to make use of collateral arrangements.

13.6.3 CVA

The Credit Valuation Adjustment (“CVA”) is an adjustment made to the value of derivatives in order to take into account the possibility of a counterparty’s default. The fair value of derivatives, therefore, is the risk neutral price adjusted by the CVA. Two types of CVA are recognised at Swedbank: regulatory CVA and economic CVA. The former is an additional regulatory capital charge to account for potential credit migration due to a downgrade in the Group’s derivative counterparties’ ratings, while the latter is an estimation of the expected loss from derivative counterparty defaults. Economic CVA is a reservation made against Swedbank’s profits.

13.7 Liquidity Risk

Liquidity risk refers to the risk of not being able to meet payment obligations when due without incurring considerable additional costs for obtaining funds or losses due to asset fire-sales.

13.7.1 Funding and Liquidity Strategy

Swedbank’s funding strategy reflects its asset composition. More than half of its lending consists of Swedish mortgages, primarily financed through covered bonds. Deposits, covered bonds and shareholder equity make up the majority of Swedbank’s total funding requirements. This means that Swedbank has a limited structural need for senior unsecured funding.

The share of unsecured funding is determined by Swedbank’s aim to maintain a conservative stable funding profile using a diversified set of funding sources as well as its need to meet the regulatory MREL requirements. To secure a stable funding profile for Swedbank, Group Treasury continuously monitors and analyses relevant positions and markets, e.g., the deposit base and the wholesale debt market.

Swedbank has a number of different funding programs for its short- and long-term funding, including commercial paper programs, certificates of deposit, covered bonds and senior unsecured debt. Swedbank also complements its public funding activities with long-term investor-targeted private placements. In addition, Swedbank continuously evaluates various markets and currencies with the intent to further diversify the investor base.

Swedbank maintains a liquidity reserve to manage its liquidity risks. When future refinancing needs arise, the liquidity reserve is increased to meet these maturities. Various types of stressed scenarios such as partly or fully closed markets for new issuance are also considered.

The table below outlines the Group's liquidity reserve as of December 31, 2022:

Group Liquidity Reserve, Market Value¹	Total
	SEK million
Level 1 assets	554,631
Cash and holdings in central banks ²	369,529
Securities issued or guaranteed by sovereigns, central banks, multilateral development banks and international organisations	148,195
Securities issued by municipalities and public sector entities ("PSEs")	2,076
Extremely high quality covered bonds	34,831
Level 2 assets	6,598
Level 2A assets	6,323
Securities issued or guaranteed by sovereigns, central banks, municipalities and PSEs	—
High quality covered bonds	6,321
Corporate debt securities (lowest rating AA-)	2
Level 2B assets	275
Asset-backed securities	—
High quality covered bonds	—
Corporate debt securities (rated A+ to BBB-)	140
Shares (major stock index)	135
Total	561,229

Note:

¹ Unadjusted Liquid Assets classified in accordance with Commission Delegated Regulation (EU 2015/61).

² Minimum reserve requirements held in Central Banks of Estonia, Latvia, Lithuania and Bank of Finland are excluded from Liquid Assets.

13.7.2 Management of Liquidity Risk

Managing liquidity risk is an integral part of Swedbank's business operations. Internal policies state that Swedbank's appetite for liquidity risk shall be low, and that the liquidity profile shall be resilient towards both short-term and long-term liquidity stress, thus requiring an adequate liquidity generating capacity. To meet these requirements, Group Treasury proactively manages liquidity and funding. Swedbank's funding strategy and total liquidity generating capacity are key components in liquidity management.

The level of risk acceptable for achieving the strategic goals of Swedbank (i.e. risk appetite) is decided by Swedbank's Board of Directors, while the CEO is responsible for the implementation of the risk policy and risk appetite established by the Board. The CEO has established a Group Treasury function with the overall responsibility to manage Swedbank's liquidity. Group Treasury is the first line of defence in identifying, measuring, analysing, monitoring and managing liquidity risks. To avoid a conflict of interest, the unit responsible for analysing the liquidity risks is separate from the position-taking units.

Group Risk constitutes the second line risk management function and is responsible for ensuring that liquidity risks are identified and properly managed by Group Treasury. Moreover, Group Risk is also responsible for Group governance and strategies within the area of liquidity risk control and for monitoring the regulatory environment related to liquidity risk control.

In determining Swedbank's overall liquidity risk appetite, the Board of Directors has defined limits for the regulatory metrics LCR and NSFR, and for survival periods, as measured by the internal survival horizon metric. Furthermore, a liquidity risk limit framework has been established in order to ensure business operations stay within the risk appetite and to avoid unwanted risk concentrations. The limits are established for Swedbank on the Group level, its relevant legal entities, branches and stand-alone currencies.

Swedbank has a business continuity plan ("BCP"), which is updated annually, to manage any serious disruptions in liquidity. The BCP sets limits on several risk indicators that act as early warning triggers. If the limits are breached, the BCP is used as an instruction to reduce the increased level of liquidity risk with detailed descriptions of actions that can be taken to avoid going into recovery mode, where the more comprehensive Recovery Plan would be activated.

13.7.3 Measurement

The survival horizon measure forms the basis for the liquidity risk limit framework. The measure reflects the survival period threshold as defined by the Board of Directors and is the main internal liquidity risk metric used within Swedbank. The guiding principle of the measure is the capture of all relevant future daily cash flows. By combining this metric with Swedbank's liquidity generating capacity, the projected liquidity position can be illustrated over time.

The risk measure is conservative and assumes adverse circumstances, e.g. that there is limited access to the funding markets, a considerable deposit run-off and a severe drop in housing prices – affecting the overcollateralization level of the cover pool.

In addition, severe stress tests are run regularly to increase readiness for liquidity disturbances on the debt market. The stress tests take both idiosyncratic and market-related problems into account, whereas analyses encompass the effect of a combination of the two. Specific sensitivity analyses of the effect of house price declines on the cover pool are run regularly.

The LCR aims to ensure that a bank maintains an adequate level of unencumbered, high quality assets (a liquidity reserve) to meet its liquidity needs for the next 30-day horizon under the assumption of a severe liquidity stress scenario. As of January 1, 2018, LCR is reported in accordance with the EU Commission's Delegated Regulation (EU) 2015/61 ("LCR DA") with a minimum requirement of 100.0 per cent. The Swedish supervisory authority has implemented a Pillar 2 requirement of 100.0 per cent on LCR in single currencies USD and EUR and 75.0 per cent in SEK. The Group's LCR metric has been well above 100.0 per cent during 2022, on total level, as well as in USD and EUR, indicating that Swedbank has a sufficient amount of highly liquid assets to withstand stressed cash flows for a time horizon of 30 days.

The NSFR shows a bank's ability to manage stressed liquidity situations over a one-year horizon. NSFR ensures that a bank's long-term illiquid assets are funded with a minimum amount of stable long-term funding. An NSFR of above 100.0 per cent means that the long-term illiquid assets are adequately funded with stable funding. As of December 31, 2022, LCR for the Group amounted to 160 per cent and NSFR to 118 per cent (CRR2).

For more information relating to liquidity, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources".

13.8 Market Risks

The risk to value, earnings, capital or exposure arising from movements of risk factors in financial markets. Value covers both economic value and accounting value and include valuation adjustments such as CVA and Debit Valuation Adjustment (“DVA”).

Market risk includes interest rate risk (including real and nominal interest rates, credit spreads and basis spreads), currency risk, equity risk (including dividend risk) and commodity risk (including precious metals), as well as risks stemming from changes in volatilities or correlations.

13.8.1 Interest Rate Risk

Interest rate risk refers to the risk that the value of the Group’s assets, liabilities and interest related derivatives will be negatively affected by changes in interest rates or other relevant risk factors.

The majority of the Group’s interest rate risk is structural and arises within the banking operations when there is a mismatch between the interest fixing periods of assets and liabilities, including derivatives. The interest rate risk in fixed rate assets, primarily customer loans, accounts for the larger part of this risk and is hedged through fixed rate funding or by entering into various types of swap agreements. Interest rate risk also arises within the trading operations, e.g., through customer related activities.

Interest rate risk is measured in the Group for all positions, including those recorded at fair value and those recorded at accrued value.

Change in value of assets and liabilities, including derivatives, if the market interest rate rises by one percentage point, as of December 31, 2022

SEK million	<3 mths.	3-6 mths.	6-12 mths.	1-2 yrs.	2-3 yrs.	3-4 yrs.	4-5 yrs.	5-10 yrs.	>10 yrs.	Total
SEK	(675)	57	(191)	(921)	(196)	504	(1)	(251)	(7)	(1,681)
Foreign currency ...	(108)	(128)	409	541	28	488	(483)	(69)	17	695
Total	(783)	(71)	218	(380)	(168)	992	(484)	(320)	10	(986)

Of which financial instruments at fair value measured at fair value through profit and loss

SEK million	<3 mths.	3-6 mths.	6-12 mths.	1-2 yrs.	2-3 yrs.	3-4 yrs.	4-5 yrs.	5-10 yrs.	>10 yrs.	Total
SEK	323	34	280	(512)	(191)	680	87	(249)	(7)	445
Foreign currency ...	(187)	(198)	(127)	153	(329)	607	(473)	(34)	29	(559)
Total	136	(164)	153	(359)	(520)	1287	(386)	(283)	22	(114)

13.8.2 Currency Risk

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

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

A shift in exchange rates between foreign currencies and the Swedish krona of +5 per cent as of year-end 2022 would have a direct effect on the Group's reported profit of SEK 38 million (positive SEK 19 million as of year-end 2021). Moreover, a shift in exchange rates between foreign currencies and the Swedish krona of -5 per cent as of year-end 2022 would have a direct effect on the Group's reported profit of SEK 17 million (SEK 46 million as of year-end 2021).

The table below outlines the Group's currency positions as of December 31, 2022. A considerable share of the currency positions detailed in the table pertains to goodwill resulting from Swedbank's holdings in foreign subsidiaries; changes in value in these positions do not affect net income.

Currency Positions

SEK million	EUR	USD	GBP	DKK	NOK	Other	Total foreign currency	SEK	Total
Assets									
Cash and balances with central banks	169 524	28 717	—	1 344	714	14	200 313	165 679	365 992
Treasury bills and other bills eligible for refinancing with central banks	7 574	2	—	—	244	—	7 820	143 663	151 483
Loans to credit institutions	22 138	4 508	386	1 249	3 108	1 039	32 428	24 161	56 589
Loans to the public	292 390	27 154	1 915	4 179	51 981	1 538	379 157	1 463 654	1 842 811
Bonds and other interest-bearing securities	4 885	2 021	—	375	8 186	—	15 467	45 831	61 298
Other assets, not distributed	—	—	—	—	—	—	—	376 703	376 703
Total	496 511	62 402	2 301	7 147	64 233	2 591	635 185	2 219 691	2 854 876
Liabilities									
Amounts owed to credit institutions	31 474	4 361	141	1 562	1 328	2 052	40 918	31 908	72 826
Deposits and borrowings from the public	382 507	45 573	3 206	2 621	5 485	5 179	444 571	861 377	1 305 948
Debt securities in issue	190 283	315 142	5 620	—	2 641	5 982	519 668	264 538	784 206
Senior non-preferred liabilities	31 535	10 279	4 064	—	8 584	1 609	56 071	1 368	57 439
Subordinated liabilities	13 264	9 405	5 032	—	—	2 428	30 129	1 202	31 331
Other liabilities, not distributed	—	—	—	—	—	—	—	427 034	427 034
Equity	—	—	—	—	—	—	—	176 092	176 092
Total	649 063	384 760	18 063	4 183	18 038	17 250	1 091 357	1 763 519	2 854 876
Other assets and liabilities	164 302	322 284	15 676	(2 967)	(45 957)	14 584	467 922	—	—
Net position in currency	11 750	(74)	(86)	(3)	238	(75)	11 750	—	—

13.8.3 Share Price Risk

Share price risk refers to the risk that the value of the Group's holdings of shares and share-related derivatives may be negatively affected by changes in share prices or other relevant risk factors such as share price volatility.

Share price risk arises due to holdings in equities and equity related derivatives. The main purpose of Swedbank's equity trading is to generate liquidity for the Group's customers. Share price risk is measured and limited in the Group, e.g., with respect to the worst possible outcomes in 81 different scenarios based on changes in share prices and implied volatility. In these scenarios, share prices change by a maximum of +/- 20 per cent and the implied volatility by a maximum of +/- 30 per cent.

The outcomes for the various combinations form a risk matrix for share price risk, where the worst case scenario is limited.

As of December 31, 2022, the worst outcome would have entailed a decline in the value of the trading operation's positions by SEK 20 million (SEK 21 million as of December 31, 2021).

13.8.4 Credit Spread Risk

For financial assets and liabilities measured at fair value within the Group's trading operations and liquidity portfolio, credit spread risk is measured separately as well. Credit spread risk refers to the risk that the value of these assets and liabilities will be affected by changes in issuer specific interest mark-ups (credit spreads), e.g., the difference between a security's interest mark-up and the current market rate with the corresponding maturity for an issuer.

As of December 31, 2022, an increase in all issuer-specific spreads by 1 basis point would have reduced the value of the Group's interest-bearing assets, including derivatives, by SEK 5 million (a reduction of SEK 12 million as of December 31, 2021).

13.8.5 Risk Measurement

Swedbank uses a number of different risk measures, both statistical and non-statistical, with the purpose of guiding the Group's risk-taking units as well as to ensure compliance. Statistical measures such as Value-at-Risk ("VaR") and Stressed Value-at-Risk ("SVaR") are important tools in Swedbank's risk management processes and are used, among other things, to calculate the Group's capital requirement.

VaR implicates the use of a model to estimate a probability distribution for the change in value of Swedbank's portfolios. The model is based on the previous year's movements in various market risk factors such as interest rates and equity prices. The estimation is based on the hypothetical assumption that the portfolios will remain unchanged over a certain time horizon. The Group uses a VaR model with a confidence interval of 99.0 per cent and a time horizon of one trading day. Statistically, this means that the potential loss of a portfolio will exceed the VaR amount one day out of 100. VaR is a useful tool, not only for determining the risk level of an individual security or asset class, but also when it comes to comparing risk levels for example between asset classes. Since VaR is a model based on a number of assumptions, Swedbank evaluates its VaR model's accuracy on a daily basis through backtesting.

VaR and SvaR differ slightly in that the stressed model applies market data from a one-year period of considerable stress. The period selected by Swedbank covers parts of the years 2008 and 2009, a period defined by the financial crisis.

Non-statistical measures such as sensitivity analyses are important complements to VaR and SvaR, since these, in some cases, provide a deeper understanding of the market risk factors being measured.

In addition to VaR and various types of sensitivity analyses, Swedbank conducts an extensive array of stress tests. These tests are built on scenarios and can be divided into three groups: historical, forward-looking, and method- and model stress scenarios. The purpose of these stress tests, and the scenarios that serve as a basis for them, is to further identify significant movements in risk factors or losses that could arise due to exceptional market disruptions.

The trading operations at Swedbank are conducted within the business area of LC&I for the primary purpose of assisting customers to execute transactions in the financial markets. Positioning occurs

only to a limited extent. The trading operations' total VaR had an average value of SEK 36 million in 2022, which can be compared to the average value of 24 million for 2021.

Risk VaR LC&I

SEK million	2022			2022	2021
	Max	Min	Average	31 Dec	31 Dec
Credit Spread risk	22	5	10	7	6
Share price risk	14	2	4	3	6
Currency risk	8	1	3	2	5
Interest rate risk	57	19	38	30	24
Diversification	—	—	(19)	(7)	(17)
Total	42	19	36	35	24

Data in the table are compiled using the VaR model that the Group applies to internal risk management and therefore differs from the values generated by the VaR model for capital requirements.

13.8.6 Management of Market Risks

The majority of the Group's market risks are of structural or strategic nature and are managed primarily by Group Treasury.

Swedbank's market risk-taking is limited via the risk appetite established by Swedbank's Board of Directors. Using the risk appetites as starting points, a strict risk management framework has been adopted on both the CEO level and the executive management level in order to prevent Swedbank from unintentional losses. The CEO assigns risk limits to the CFO. The CFO assigns risk limits to the Head of LC&I and to the Head of Treasury. The CFO and the Head of BA for LC&I set additional limits, as well as different types of indicators which at certain levels signal increased risk, in order to monitor the limits assigned by the CEO. In addition to limits set by the CFO and the Head of LC&I there are also local business area limits.

Structural interest rate risks are a natural part of a bank that manages deposits and loans. Interest rate risk arises primarily when there is a difference in maturity and interest fixing periods between the Group's assets and liabilities. Group Treasury manages risk within given limits, primarily by matching maturities either directly or through the use of various derivatives such as interest rate swaps. Interest rate risk also arises in the Group's trading operations. The Group's currency risk comprises of structural currency risk in the banking operations, currency risk as a result of the trading operations, and investments in the foreign operations. Share price risks arise due to holdings in equities and equity related derivatives.

All market risks are managed within given limits, for example by means of forward contracts.

13.8.7 Derivatives

Derivatives are financial instruments where the value of the instrument changes in response to the change in an underlying variable such as an interest rate, security price or index. Derivatives are used throughout the Group. The trading desks use derivatives to meet customer needs and, as part of market-maker activities, to cover and take market risk positions. Other units use derivatives primarily to reduce interest rate, currency and credit spread risks associated with services offered to customers or with funding their operations.

13.9 Operational Risk

Operational risk is defined as the risk of losses, business process disruption, and negative reputational impact resulting from inadequate or failed internal processes, people and systems or from external events. It also includes risk from external events not covered by other risk type. The Group fundamentally seeks to limit its exposure to operational risk as much as possible. However, some exposure is inevitable since operational risk is inherent in all banking products, processes, services, models, functions and IT systems. A low risk appetite requires the Group to manage operational risks to be resilient and limit disruptions to reputational impact and reduce operational losses in accordance with established principles.

In 2022, Swedbank saw an increase in incidents compared to 2021. Risks and recurring incident events that continuously require closer attention are associated with (but not limited to) Information Security & IT risks, Business Continuity risks, fraud risks and Third Party risks connected to reoccurring disruptions in critical customer-facing services. In April 2022, Swedbank experienced a serious IT incident in connection with a system update. The incident caused incorrect balances to be shown in customers' account statements and subsequent payment problems while also affecting the availability of the bank's services. Swedbank takes what occurred seriously and has taken extensive action to prevent similar events from occurring. On March 15, 2023, Swedbank announced that it had received an administrative fine of SEK 850 million from the SFSA regarding the incident. The SFSA remarked that Swedbank had made a change to an IT system without following Swedbank's internal procedures and processes.

Risk-Based Planning

The purpose of Risk-Based Planning ("RBP") is to ensure that senior management considers the risks related to the business and that adequate resources and actions to manage the risks are planned for and prioritized. Further, the purpose of the risk organisation's RBP is to identify and re-assess key risk areas and the risk profile, prioritise risk control activities and to facilitate coordination of those activities with the Compliance function and Group Internal Audit.

Operational Risk Reporting

Operational risk reporting takes place in the form of regular reporting and immediate escalation. Comprehensive reports are sent to the Board and the CEO on both a quarterly and a monthly basis (and if there is any deviation, such deviation is reflected in the monthly report of the Chief Risk Officer that is presented to the board of directors). In addition to the monthly risk report, an assurance report, containing the results of assurance-related activities, is compiled on a quarterly basis to confirm to the Board of Directors that risk management and control activities are proceeding according to plan.

Risk Assessments

The same methods (e.g., risk assessments) to self-assess operational risks are applied throughout the bank. These methods are used on regular basis to cover among others all significant processes within Swedbank and include identification of material risks, action planning and monitoring to manage any risks that may arise.

New Product Approval Process ("NPAP")

Swedbank has a Group-wide NPAP covering all new and/or materially altered products, services, markets, processes or IT-systems as well as major operational and/or organisational changes. The purpose is to ensure that the Group does not enter into activities that entail unintended risks or risks that are not adequately managed and controlled as part of the process and also to ensure quality when

launching new or materially altered products or services. The process is designed to emphasise the responsibility and accountability of the business areas for continuous overview of initiated NPAPs and continuous risk identification, analysis and mitigation. Group Risk and Group Compliance contributes with an expert evaluation of the risk analysis process and the residual risks, and both Group Risk and Group Compliance has the mandate to reject changes where risks exceed the risk appetite and the underlying limits.

Business Continuity Management

Swedbank's principles for Business Continuity Management are defined in the Group-level framework. Crisis management teams are available both on Group and local level to coordinate and communicate internally and externally. In addition, business continuity plans are in place for all business-critical processes, for IT systems supporting these systems and for services that are critical for countries in which Swedbank operates. The plans are implemented on the Group and local level and describe how Swedbank is to operate in the event of a severe business disruption or potential crisis situation.

Process and Control Management: Swedbank has adopted an internal regulation on managing processes and process control. Processes are managed and internal controls are identified by every Business Area, Product Area and Group Function across the bank. Specific framework for internal controls over financial reporting are applied for the processes concerned. In addition, a process universe is in place which clarifies the responsibilities of the significant processes, as well as for controls needed in these processes. As such, it supports operational risk management and risk control activities within Swedbank.

Incident Management and Reporting: Swedbank works proactively to prevent and strengthen its resilience and ability to manage all types of incidents, such as IT disruptions, natural disasters, financial market disturbances, act of terrorism and pandemics, which may affect the Group's ability to provide services and offerings continually at an acceptable level. Group Risk supports business areas in reporting, analysing, and reviewing action plans to ensure that underlying causes are identified, and suitable actions are taken. Incidents and operational risk losses are reported in a central database for further analysis.

Financial Crimes Reporting

The Group requires any material violations of internal and external anti-money laundering and counter-terrorist financing regulations to be reported in its regular compliance report. In addition, suspicious activity reports are filed with the local Financial Intelligence Unit of the relevant jurisdiction by the Group's Money Laundering Reporting Officers in accordance with local procedures. In 2019, the Board established a working group to act as the Board's advisory body to monitor the Group's work with ongoing investigations regarding money laundering allegations and its own independent investigation with an external law firm, Clifford Chance LLP. The Board also established a new committee, the Corporate Governance Committee, which will assume the working group's duties. The Group also continued to invest in resources, processes and technology to prevent money laundering and other financial crimes, including the creation of the AFC, increased staff and the engagement of external consultants to help the Group's business areas prevent financial crimes. In October 2019, the Group developed an action plan to align the Group with industry best practices to prevent financial crime. In June 2020, Swedbank, along with the other four largest banks in Sweden, started a collaboration with the Swedish Police Authority to improve the ability to identify and combat money laundering and organised crime through increased information sharing. Swedbank has actively participated in this collaboration ("SAMLIT"), which is active with regular meetings and operational and strategic investigations. Each participating bank has provided at least two to three dedicated employees to ensure that the project is running as planned. In 2022, the Swedish Government introduced new legislation regarding formalised collaboration between credit institutions and Swedish authorities.

Effective January 1, 2023, the new legislation enables a wider collaboration than SAMLIT in respect to both private and public participation. The new legislation also enables extended information sharing among participants within each formalised collaboration compared to the existing SAMLIT initiative.

Recovery Planning

Swedbank has established a Group-level recovery plan in accordance with the Bank Recovery and Resolution Directive (“BRRD”) regulatory framework. The plan has been aligned with the guidelines and technical standards issued by the EBA. The recovery plan describes a set of measures that can be applied in distress in order to restore the sound financial position of Swedbank and to ensure the continuity of critical financial services provided by Swedbank in all its home markets. The recovery plan describes a wide range of recovery indicators along with trigger levels that can be easily monitored to capture potential stress in a timely manner. Further, in Swedbank’s corporate governance structure, the rules for escalation and decision-making to be used under stressful conditions are described.

Information Security and IT Risk

Information security risk is a risk subtype to operational risk. The protection of Information assets through information security management is fundamental in preventing and reducing operational risks. Swedbank defines information security risk as the risk of violation of confidentiality, integrity and availability (“CIA”) of digital and non-digital information resulting from malicious intent, or accidental or negligent violation of internal or external information security regulations.

Swedbank has a structured approach to protect information. To strengthen these efforts, processes and routines are being constantly reviewed to improve and complement the bank’s management system for information security. The management system is a tool to manage and coordinate the Group’s long-term efforts in a structured and methodical way.

IT Risk

IT risk is a risk subtype to operational risk. Swedbank defines IT risk as the risk of violation of confidentiality, integrity or availability (CIA) of digital information resulting from non-intentional hardware, software or network failure, or accidental or negligent violation of IT processes.

Swedbank has a structured approach to manage IT risks within Swedbank. IT serves a vital role in Swedbank, enabling the Bank and its Subsidiaries to run their business operations in a cost efficient, secure and scalable manner. Swedbank has well-documented and implemented processes and procedures that define how the Group operates, monitors and controls IT systems and services.

Challenges and risk in digitalization

Swedbank is a full-service bank in our four home markets. Our customers expect to continuously access Swedbank’s services in a secure, convenient way and where irrespective of the channel our customers choose to meet us. This requires Swedbank to be able to maintain an efficient, stable, secure and resilient IT environment, including outsourced services.

Digital transformation raises information security threats including cyber risk and external fraud risk and requires also new ways of protection. Swedbank’s IT and information security risks must be identified and addressed in all types of development, procurement and change management.

Legal

The CEO has established a Group Legal function with the overall responsibility for governing, controlling and supporting proper management of legal matters. Swedbank has legal counsel in all major business areas specialised in core areas of Swedbank's operations. The legal counsel provide legal services by supporting, understanding, and acting upon the need of the concerned business. There are also internal rules on escalation, information-sharing, and reporting of legal risks and lawsuits. Regular reviews are carried out to identify and follow-up on actual and/or potential legal risks, so that practices can be modified to ensure compliance with local regulatory requirements

Insurance Policies

Swedbank has insurance protection for significant parts of its operations and maintains several insurance programs to mitigate operational risks (and other types of risks.). These insurance programs consist of external insurance solutions, internal captive solutions and externally reinsured captive solutions. The external programmes include crime, property insurance, and cyber insurance.

Regulatory Changes

In the Basel III framework which were finalized in December 2017, the new Standardised Measurement Approach ("SMA") for calculating operational risk capital requirement replaces all current methods. The method combines a simple standardised measure of operational risk exposure with bank-specific loss data to produce the capital requirement.

An initial analysis of the impact of SMA on Pillar 1 regulatory capital charge for operational risk showed a small impact as compared to the previous approach; however, uncertainties remain regarding details of EU implementation of the new approach for operational risk, as the regulation has not yet been finalised. The earliest date for the implementation of any changes to the operational risk framework is expected to be January 1, 2025.

Compliance

For governing, controlling and supporting the proper handling of compliance matters, Swedbank has established Group Compliance that is responsible for providing assurance to the Board and CEO that the Group is effectively managing the risks within the Group Compliance scope considering the Risk Appetite set by the Board.

The Compliance function focuses primarily on compliance risk, including Financial Crime Risk, Conduct Risk, and Regulatory Compliance risks, which are further divided into respective risk sub-types. To provide active steering and oversight, all risk sub-types have qualitative risk appetite statements which are aligned with the overall strategy of the bank and supplemented with quantitative metrics (Key Risk Indicators). The purpose of the Risk Appetites per risk type is to set boundaries for and provide guidance on risk-taking, to enable risk-based decision making, so that the Group's risk profile and risk exposure remains in line with the Board's expectations. The Group has effective risk management processes which enables the Group to manage the risks in accordance with the principles set in relevant rules, regulations, and frameworks.

14. Management

14.1 Board of Directors

The Swedbank Board of Directors (the “Board”) has overarching responsibility for managing the Group’s affairs in the interest of both Swedbank and the shareholders. The Board carries out its role in a sustainable manner, with a focus on the Group’s customers’ interests and sound risk management, to ensure the Group’s long-term survival and instil trust in the market.

On March 30, 2022, Swedbank held its Annual General Meeting (“AGM”) and maintained the number of Board members at 12, electing two new Board members and re-electing ten existing Board members. The new members of the Board are Helena Liljedahl and Biörn Riese. The majority of the board members elected are independent in relation to Swedbank and the Group Executive Committee and independent in relation to Swedbank’s major shareholders. The Board also includes two employee representatives in accordance with special agreements with the Financial Sector Union of Sweden and Akademikerföreningen.

Bo Bengtsson has left Swedbank Boards of Directors in January 2023 and will take up his new position as Head of Large Corporates & Institutions on March 1, 2023.

The next Annual General Meeting will be held on March 30, 2023. Swedbank’s Nomination Committee has proposed the following board members for re-election; Göran Persson, Göran Bengtsson, Annika Creutzer, Hans Eckerström, Kerstin Hermansson, Helena Liljedahl, Bengt Erik Lindgren, Anna Mossberg, Per Olof Nyman, Biljana Pehrsson and Biörn Riese. Göran Persson is proposed as Chair of the Board of Directors. PwC AB will also be proposed for re-election as external auditor.

The members of the Board, their year of birth, the year of their initial election as a director and the year of their initial appointment as an employee representative, their position and whether or not they are independent according to the requirements set out in the Swedish Code of Corporate Governance (the “SCCG”), are set forth in the table below.

Name	Year of birth	Board member since	Position	Independent/dependent
Göran Persson	1949	2019	Chair	Independent
Biörn Riese	1953	2022	Vice Chair	Independent
Anna Mossberg	1972	2018	Member	Independent
Kerstin Hermansson	1957	2019	Member	Independent
Biljana Pehrsson	1970	2020	Member	Independent
Göran Bengtsson	1967	2020	Member	Dependent in relation to Swedbank and the executive management of Swedbank and independent in relation to Swedbank’s major shareholders.
Bengt Erik Lindgren	1950	2020	Member	Independent
Hans Eckerström	1972	2020	Member	Independent
Annika Creutzer	1957	2021	Member	Independent
Per Olof Nyman	1956	2021	Member	Independent
Helena Liljedahl	1969	2022	Member	Independent
Roger Ljung	1967	2015	Employee Representative	—
Åke Skoglund	1959	2020	Employee Representative	—

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

Göran Persson: Mr. Persson has been the Chair of the Board since June 2019. He holds a Sociology and political science degree from the University of Örebro. Mr. Persson was the Swedish Finance Minister from 1994 to 1996 as well as the Swedish Prime Minister from 1996 to 2006. He previously held positions as chair at Sveaskog, Scandinavian Air Ambulance and Scandinavian Biogas Fuels International AB, board member at Wiklöf Holding AB and board member at Ålandsbanken. Mr Persson is the chair at LKAB and chair at Greengold Group AB. He is also senior advisor for the JKL Group and has consultancy assignments through his own company Baven AB.

Biörn Riese: Mr. Riese has been the Vice Chair of the Board since 2022. He holds a Masters of Laws and an MBA in business economy from Stockholm University. Mr. Riese has been operating Jurie Law AB, his own law firm, since 2017. He has specialized in providing advice and support to companies regarding corporate governance and sustainability with a special focus on anti-corruption and risk management. He has been working as an advisor to Swedbank's Board of Directors since 2019, mainly regarding money laundering issues. Mr. Riese is currently a board member of Arvid Nordquist Handelsaktiebolag, a board member of Institutet mot mutor (the Swedish Anti-Corruption Institute), a board member of Advokatsamfundets disciplinnämnd, the chair of Tynningö Gård Ek. För, the chair of Stiftelsen Min Stora Dag and the chair of Swedish Private Equity & Venture Capital Association Tillsynsnämnd.

Anna Mossberg: Ms. Mossberg became a member of the Board in 2018. She holds a Master of Science from Luleå University of Technology, an executive MBA from both IE University, Spain and Stanford University, U.S. Ms. Mossberg is a board member at SwissCom AB, a board member at Orkla AB and a board member at Volvo Cars AB. Previously, she was a business area manager at Google Sweden AB, a VD at Bahnhof AB, SvP at Strategy and Portfolio Management, Deutsche Telecom AG, Director of Internet Services at Telia AB and Vice President at Telia International Carrier AB. She was also a board member at Schibsted ASA and a board member at Byggfakta Group Nordic AB.

Kerstin Hermansson: Ms. Hermansson has been a member of the Board since the beginning of 2019. She holds a Law degree from Lund University. Previously, Ms. Hermansson was the CEO of Swedish Securities Dealers Association. Ms. Hermansson has also worked as Global Head of Legal & Compliance at Enskilda Securities AB, a subsidiary within SEB Group. She was previously a board member at Swedsec Licensing AB and the Seventh Swedish National Pension Fund. Ms. Hermansson has also held a position as an attorney at Jacobsson & Ponsbach Fondkommission Ab. Additionally, she has provided notary services at the Linköping's District Court and the police authorities in Katrineholm. Ms. Hermansson is also currently chair at Linnaeus University, deputy chair at Swedsec Licensiering AB and board member at Swedish Financial Benchmark Facility AB.

Biljana Pehrsson: Ms. Pehrsson has been a member of the Board since May 2020. She holds a Master of Science in Engineering from the Stockholm Royal Institute of Technology. Ms. Pehrsson is currently a board member of Kungliga Dramatiska Teatern AB and CEO at Nordr Sverige AB. She was previously CEO at Kungsleden AB, a board member of East Capital Baltic Property Fund (ECBPF I & II & III), Einar Mattsson AB/Fastighets AB Stadshus, the deputy CEO / Head of Real Estate of East Capital Private Equity and CEO of Centrumutveckling.

Göran Bengtsson: Mr. Bengtsson has been a member of the Board since May 2020. He attended the Bachelor's Programme in Business and Economics at the University of Borås. Mr. Bengtsson is currently a member of the Board's Risk and Capital Committee and Audit Committee. He is currently CEO of Falkenbergs Sparbank and a board member of Destination Falkenberg AB. He was previously Regional Head of Credit at Swedbank from 2007 to 2012.

Hans Eckerström: Mr. Eckerström has been a member of the Board since May 2020. He holds a Master of Science in Mechanical Engineering from Chalmers University of Technology and a Master

of Science in Business Administration from the University of Gothenburg. Mr. Eckerström is currently the chair of Profoto Holding AB and Profoto Invest AB. He is also a board member of Thule Group AB and CIO at Aligro Partners Acquisition Company AB. Mr. Eckerström was previously the chair of Nobia AB, the chair of Henri-Lloyd Group AB and a board member of Nordstjärnan AB.

Bengt Erik Lindgren: Mr. Lindgren has been a member of the Board since May 2020. He studied business administration, sociology and human resource management at Uppsala University. Mr. Lindgren is currently a member of the Board's Risk and Capital Committee. He was previously Chair of Prevas AB and Länsförsäkringar Bergslagen Ömsesidigt and a board member of Lansa Fastigheter AB, Lansa Bostadsfastigheter AB and Länsförsäkringar Bank AB.

Annika Creutzer: Ms. Creutzer has been a member of the Board since 2021. She holds an economics degree in national economics from Stockholm University. Ms. Creutzer currently owns her own business, Creutzer & Co AB, which focuses on financial journalism and public education. She was previously a board member of Pensionsmyndigheten (the Swedish Pensions Agency), the startup company Påmind and Konsumentföreningen Stockholm (Stockholm Consumer Cooperative). Ms. Creutzer was previously the Editor in Chief of Pengar24 and Privata Affärer.

Per Olof Nyman: Mr. Nyman has been a member of the Board since 2021. He holds a Master of Science in Industrial Economy from Linköping University. He previously studied at the IFL School of Economics, Accounting & Financial Management and he also studied IT and Commercial law at Örebro University. Mr. Nyman is currently a member of the Board's Audit Committee. He is currently CEO of Lantmännen Ek För and serves as a Board Member of a number of organisations including HKScan Oyj, Haupt genossenschaft Nord AG (HaGe Kiel), Svensk Kooperation and Lantmännen Dansk Landbrugs Grovvarereselskab International AB (LDI). He is currently the chair at Intercoop Europe. Mr. Nyman was previously Vice President and CFO at Lantmännen.

Helena Liljedahl: Ms. Liljedahl has been a member of the Board since 2022. She holds a Master of Science in Business Administration from the University of Örebro. She is currently CEO of KF Fastigheter AB and serves as a member of Folksam ömsesidig sakförsäkring. She previously was a board member of Medmera Bank, Chair of Coeli Fastighet II, a board member of Technopolis Oiy and Head of Commercial Development at Ingka Centres Russia.

Roger Ljung: Mr. Ljung has been an employee representative to the Board since 2015. Mr. Ljung is a Business advisor at Swedbank. Previously he was a retail advisor and branch manager at Swedbank. Mr. Ljung is also a board member of Finansförbundets förbundsstyrelse, deputy chair of Finansförbundets koncernklubb Swedbank, board member of Finans och Försäkringsbranchens Akassa and deputy chair of SPK.

Åke Skoglund: Mr. Skoglund has been an employee representative to the Board since 2020. Mr. Skoglund studied Business Administration at Stockholm University. He has worked at Swedbank for approximately 30 years. He has previous experience with business development, accounting, annual accounts and government reporting. Mr. Skoglund is also currently the chair at Finansförbundets Lokala Klubb Centrala Enheter

The 2023 AGM is scheduled to take place on March 30, 2023. On January 30, 2023, Swedbank's Nomination Committee presented its proposal for the Board of Directors to the AGM. For further detail, see "Management—Annual General Meeting."

The office address of the members of the Board is c/o Swedbank (publ), Landsvägen 40, SE-172 63 Sundbyberg Stockholm, Sweden. None of the Board members have any family relationship with any other Board member or any members of the Group Executive Committee.

During the last five years none of the members of the Board have been involved in any bankruptcies, receiverships or liquidations in any capacity as a member of the board of directors of a company or members of the management of a company. None of the members of the Board have been convicted in relation to fraudulent offences during the last five years or been subject to any public incrimination or sanctions by statutory or regulatory authorities (including designated professional bodies), and none of the directors have been disqualified by a court from acting as members of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the last five years.

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

Some or all of the members of the Board are customers of Swedbank and accordingly have ordinary customer relationships with Swedbank.

The members of the Board are not entitled to any benefits upon retirement from the Board

14.2 Group Executive Committee

The transformation of the Group Executive Committee involved the appointment of Charlotte Rydin as Chief Legal Officer and Head of Group Legal on July 9, 2020. She started in the beginning of 2021. Jon Lidfelt was appointed Head of Baltic Banking on July 9, 2020. He had been acting Head of Baltic Banking since December 2019. In addition, Erik Ljungberg was appointed as Head of Group Communication and Sustainability on July 1, 2020 and Rolf Marquardt was appointed as Group Risk Manager on September 14, 2020. On January 15, 2021, it was announced that Ola Laurin would step down as the head of LC&I. On June 16, 2021, Swedbank announced the appointment of Tomas Hedberg, the former Head of the Special Task Force unit, as deputy President and deputy CEO. Tomas Hedberg assumed his new role as of July 1, 2021 and is a permanent member of the Group Executive Committee. On September 21, 2021, Swedbank announced the retirement of Ingrid Harbo, Swedbank's Chief Compliance Officer and a member of the Group Executive Committee since 2019. On January 21, 2022, Swedbank announced the appointment of Britta Hjorth-Larsen as its new CCO. Britta Hjorth-Larsen took up her position August 1, 2022 and is a member of Swedbank's Group Executive Committee. Eva Wilhelmsson served as acting Chief Compliance Officer from April 1, 2022 until Britta Hjorth-Larsen took up her position. On December 19, 2022, Pål Bergström announced his departure as Head of LC&I with his departure set for mid-June 2023 at the latest. Swedbank has appointed Bo Bengtsson as new Head of LC&I and will become a member of Swedbank's Group Executive Committee as of March 1, 2023.

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

Name	Year of birth	Position	Employed Since
Jens Henriksson	1967	President and CEO	2019
Tomas Hedberg	1963	Deputy President and CEO	2000
Mikael Björknert	1966	Head of Swedish Banking	2010
Lars-Erik Danielsson	1962	Chief Credit Officer and Head of Group Credit	1990
Anders Ekedahl	1960	Head of Anti-Financial Crime Unit	1987
Jon Liddefelt	1973	Head of Baltic Banking	2013
Erik Ljungberg	1971	Head of Group Brand, Communication & Sustainability	2020
Pål Bergström	1967	Head of Large Corporates & Institutions	2021
Lotta Lovén	1967	CIO and Head of Group Channels & Technologies	2004
Rolf Marquardt	1964	Chief Risk Officer and Head of Group Risk	2020
Carina Strand	1964	Head of Group HR & Infrastructure	2017
Anders Karlsson	1966	Chief Financial Officer (“CFO”)	2010
Charlotte Rydin	1968	Chief Legal Officer and Head of Group Legal	2021
Britta Hjorth-Larsen	1965	Chief Compliance Officer and Head of Group Compliance	2022
Kerstin Winlöf	1966	Head of Group Products & Advice	2019

Jens Henriksson: Mr. Henriksson holds a Bachelor’s degree in Economics, Masters in Electric Engineering, Control Theory and a Fil. Lic. in Economics.

Mikael Björknert: Mr. Björknert holds a Bachelor’s of Science in Business Administration and Economics.

Lars-Erik Danielsson: Mr. Danielsson holds a Master’s of Science in Economics.

Anders Ekedahl: Mr. Ekedahl holds a Master’s of Science in Economics.

Jon Liddefelt: Mr. Liddefelt holds a Master’s of Science in Engineering Physics.

Erik Ljungberg: Mr. Ljungberg holds a Master’s of Science in Business Administration.

Pål Bergström: Mr. Bergström holds a Ph.D. in Economics from the University of Uppsala, a Bachelor’s of Arts in Economics and a Bachelor’s of Arts in Czech Language from the University of Uppsala.

Lotta Lovén: Ms. Lovén holds a Diploma in Business Administration.

Rolf Marquardt: Mr. Marquardt holds a PhD in Business Economics.

Carina Strand: Ms. Strand studied business for her upper secondary school degree.

Anders Karlsson: Mr. Karlsson holds a Master’s of Science in Economics.

Charlotte Rydin: Ms. Rydin holds a Master’s of Law, LL.M.

Kerstin Winlöf: Ms. Winlöf holds a Master’s of Science in Business Administration and Economics.

Britta Hjorth-Larsen: Ms. Hjorth-Larsen holds a Master’s of Science in Business Law and Economics.

The office address of the members of the Group Executive Committee is c/o Swedbank (publ) Landsvägen 40, 172 63 Sundbyberg, Sweden. None of the members of the Group Executive Committee has any family relationship with any other member of the Group Executive Committee or member of the Board of Directors.

None of the members of the Group Executive Committee have, during the past five years, been involved in any bankruptcies, receiverships or liquidations in any capacity as a member of the Board of Directors of a company or members of the management of a company. None of the members of the Group Executive Committee have been convicted in relation to fraudulent offences during the last five years or been subject to any public incrimination or sanctions by statutory or regulatory authorities (including designated professional bodies), and none of the members of the Group Executive Committee have been disqualified by a court from acting as members of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the last five years.

The Board of Directors have adopted a Conflict of Interest Policy that sets the Group's approach as regards conflicts of interest. The Policy defines the key conflicts of interest that impact the Group as well as detailing its mitigating actions. A key function related to this is the process for disclosure of ancillary assignments.

Some or all of the members of the Group Executive Committee are customers of Swedbank and accordingly have ordinary customer relationships with Swedbank.

14.3 The Board's Organisation and Work

The Board is the Group's highest decision-making body after the AGM, and its highest executive body. Swedbank's Board sets financial goals and strategies; appoints, dismisses and evaluates the CEO; verifies that effective systems are in place to monitor and control operations and that laws and regulations are complied with; and ensures transparency and disclosure of accurate information. The Board is also ultimately responsible for ensuring that the Group has an effective organisation and corporate governance. The Board appoints/dismisses the heads of Group Risk, Group Compliance and Group Internal Audit, and decides on their remuneration. Internal Audit is directly subordinate to the Board. The division of tasks between the Board, the Chair of the Board and the CEO is determined annually through the Board's rules of procedure, the governance policy and instruction given to the CEO, among others. The Board has also appointed committees to monitor, prepare and evaluate issues within specific areas for resolution by the Board. For further information on the Board's work and organisation, please refer to the audited consolidated financial statements of the Group as of and for the year ended December 31, 2022 which are incorporated by reference in this Prospectus. More information on the work of the Board's committees can be found below.

14.4 Risk and Capital Committee

The Risk and Capital Committee supports the Board in its work to ensure that routines are in place to identify and define risks relating to business activities as well as to measure and control risk-taking and assessing its capital requirements. The members of the committee have special competence and experience working with risk and capital issues as well as compliance.

The work of the Risk and Capital Committee includes to:

- Internal Capital Adequacy Assessment Process ("ICAAP") and issues relating to the bank's capitalisation.
- The Group's credit limits and exposures.

- Funding-related matters and strategies.
- Monitor and administer Group Compliance and Group Risk's annual plans and strategic priorities.
- Review the Group's overarching risk framework (ERM policy) and risk policies.
- Monitor and prepare the monthly risk report from Group Risk, which contains among other things a report on the Group's risks.
- Monitor and prepare Group Compliance's quarterly report on the Group's compliance risks and non-compliance.
- Monitor and administer Group Compliance's and Group Risk's annual plans and strategic proprieties.

14.5 Remuneration Committee

The Board's Remuneration Committee verifies that the Group's remuneration systems generally conform to effective risk management practices and legal requirements. Remuneration systems must comply with all applicable rules, such as the Swedish Corporate Governance Code, the SFSA rules and the European Banking Authority's guidelines for senior executives. The committee's chair and members must have the necessary risk analysis knowledge and experience to independently evaluate the suitability of the Group's remuneration policy. The members must be independent in relation to the Group and its executive management. The work of the Remuneration Committee includes:

- Salaries, pensions, variable remuneration and other benefits for the Group Executive Committee in accordance with the guidelines adopted by the AGM and for the Group Audit Committee.
- The Board's proposal to the AGM regarding remuneration guidelines for senior executives.
- Allocation and evaluation of Swedbank's performance and share-based remuneration programmes and other matters associated with the programmes.
- Swedbank's remuneration policy.
- Decisions pursuant to or deviations from remuneration policies.
- Annual review and evaluation of the appropriateness of the remuneration instructions.
- Preparation and recommendation to the Board on remuneration to consultants in cases where the total remuneration exceeds a certain amount.
- Review to ensure that salary differences are not arbitrary.
- Matters concerning the process for nominating Board members of material subsidiaries as well as the instruction for Swedbank's internal nomination committee.

14.6 Audit Committee

The Audit Committee, through its work and in consultation with the external auditor, the Head of Internal Audit, the CEO and Group Risk, provides the Board with access to information on internal

governance and control over the Group's financial reporting. Its purpose is to ensure that the Group's financial reporting is conducted in a satisfactory and compliant manner.

The Audit Committee's purpose is to ensure that the Group's CEO establishes and maintains effective routines for internal governance. These routines must be designed to provide reasonable assurance with respect to reporting (financial reporting, operational risk tied to financial reporting) and compliance (laws, regulations and internal rules) and ensure the suitability and efficiency of the Group's administrative processes and the protection of its assets.

The Audit Committee also reviews the work of internal and external auditors to ensure that such work has been conducted effectively, impartially and satisfactorily. The committee proposes measures that are decided on by the Board as needed. The Head of Internal Audit is a co-opted member of the Audit Committee. The majority of the members of the Audit Committee must be independent from the Group and its executive management. At least one member must also be independent from the Group's major shareholders. In addition, at least one member must have special competence in accounting or auditing.

The Audit Committee is responsible for, among others:

- reviewing and evaluating the Group's financial reporting process;
- ensuring the quality of the bank's financial reporting and that such reporting is complied with all applicable requirements;
- ensuring that interim and year-end reports are audited or reviewed by the external auditor;
- meeting with the external auditor on each reporting date;
- evaluating the Chief Audit Executive;
- reviewing Internal Audit's budget, policy, instruction and annual plan and recommending them for approval by the Board;
- reviewing Group Internal Audit's quarterly reports and suggested improvements;
- monitoring Group Internal Audit's annual plan and strategic priorities;
- monitoring the external auditor's annual plan and coordinating between the external and internal audit and the view of the Group's risk; and
- reviewing of its areas of responsibility.

14.7 Governance Committee

The Governance Committee, which was established in December 2019, was established within the Board of Directors. The main purpose of the committee is to assist the Board of Directors in monitoring, evaluating and ensuring that the bank's governance model and processes are effective and appropriate and that they have been adopted in the organisation in a way that ensures effective governance and control throughout the Group. The committee also ensures that clear and consistent principles are applied for reporting, escalation and division of responsibilities. The Governance Committee submits recommendations to the Board for decision.

Through the Governance Committee, more time is allocated for detailed preparations on corporate governance matters, including recurring reviews and evaluations of the Board's overarching corporate

governance principles as well as internal control and monitoring of the subsidiaries' implementation of the Group's internal rules. The Governance Committee also monitors the bank's work with ongoing regulatory investigations with an overarching impact on the Group's operations.

14.8 Remuneration of the Board and Senior Executives

For 2022, the AGM approved the following annual board fees: SEK 2,982,000 to the Chair, SEK 1,000,000 to the Deputy Chair and SEK 686,000 to each of the other ordinary members. The AGM also approved a fee of SEK 485,000 to the Chair of the Risk and Capital Committee, SEK 282,000 to each ordinary member of the Risk and Capital Committee, SEK 445,000 to the Chair of the Audit Committee, SEK 270,000 to each ordinary member of the Audit Committee, SEK 118,000 to the Chair and each ordinary member of the Remuneration Committee, SEK 445,000 to the Chair of the Governance Committee and SEK 270,000 to each ordinary member of the Governance Committee. Board fees are not paid to employee representatives or persons having an employment contract with Swedbank. In 2022, total compensation paid to members of Swedbank's Board and Chair, the President and other members of the Group Executive Committee (key management personnel) was SEK 131 million, compared to SEK 132 million in 2021. For additional information on compensation, severance payments, benefits and pension commitments for the members of the Board and Group Executive Management, please see note G13 in the audited consolidated financial statements of the Group as of and for the year ended December 31, 2022, incorporated by reference in this Base Prospectus.

14.9 Auditor

In accordance with its Articles of Association, Swedbank shall have no less than one and no more than two authorised public accountants (the "Auditor"). The Auditor is appointed by the AGM after being nominated by the Nomination Committee. Auditing duties are normally for four years, although a decision may be made to replace the Auditor before the conclusion of the four-year period. At the 2019 AGM (on March 28, 2019), PwC Sverige AB was elected as auditor for the period ending at the 2023 AGM. The Chief Auditor is Authorised Public Accountant Anneli Granqvist, a member of FAR (the institute for the accountancy profession in Sweden). In 2022, the Chief Auditor reported to the Audit Committee on six occasions. The Auditor also participated in one Board meeting at which a summary of the year's audit was presented. The Auditor also met with the Chair of the Audit Committee, the Head of Internal Audit, the executive management and other operating managers on a regular basis. The Group's interim reports are reviewed by the Auditor. The Sustainability report has been reviewed as well.

14.10 Corporate Governance

Sound corporate governance means that the Group, on the basis of Swedbank's strategies, goals and values, is governed as sustainably, effectively and responsibly as possible. This is important in order to maintain confidence in Swedbank's shareholders, customers, employees and other stakeholders, and to ensure effective and sound risk management and internal steering and control. Strong corporate governance also contributes to efficient and transparent internal and external information disclosure. Decision-making processes shall be simple and transparent with clear lines of responsibility. There must be clear rules and routines to manage conflicts of interest and effective tools for internal governance, risk management and control. The corporate culture shall be characterised by transparency, integrity, compliance and risk awareness. Swedbank's values shall provide a foundation for decision-making on a daily basis and for employees' daily work.

In 2020, a review was conducted of the Group's corporate governance model, the purpose of which was to ensure that the Group has an effective and satisfactory model that is clear, consistent and aligned with current corporate governance principles. An evaluation of the boards, committee

structures and executive managements of the Baltic subsidiaries has been conducted, in addition to how the Group handles potential conflicts between laws and regulations on corporate governance and control in Sweden and the Baltic countries. The review resulted in among other things updates to several key policy documents within the Group that clarify the delegation of responsibilities, roles and reporting lines. Furthermore, the Group's overarching risk framework has been revised. The Group has also improved the process for communicating and monitoring implementation of the Group's training in 2021 on corporate governance issues for decision makers in the organisation.

In 2021, Swedbank continued its efforts to safeguard and maintain customers', shareholders' and society's trust in Swedbank. The comprehensive action plan launched in 2020 has continued with the aim of remedying the shortcomings in the areas of anti-money laundering and counter-terrorist financing that were identified in 2019. During 2021, Swedbank continued to invest in improved routines, processes and system support to strengthen its ability to identify and mitigate financial crime. Swedbank has evaluated and strengthened the corporate governance model and framework to ensure that the bank has an appropriate corporate governance model with effective governance, control and risk management across the Group.

In October 2021, Swedbank AB implemented changes in the governance and control of Baltic Banking, previously announced in February 2021. A wholly owned holding company was established, Swedbank Baltics AS, and it became owner of the subsidiary banks in Estonia, Latvia and Lithuania. This way Swedbank AB formalised the current operating model while increasing the accountability and responsibility of the Baltic Banking management. The new legal structure has three main goals: (i) to anchor the Baltic Banking's business area matrix organisation in legal form, (ii) to increase transparency in Swedbank AB with respect to Baltic Banking's decision-making process, and (iii) to strengthen Swedbank AB's governance and control. The Supervisory Board (Council) of the holding company Swedbank Baltics AS is represented by Swedbank AB through Swedbank's CEO, CFO and Chief Legal Officer, who are members of the company's board. In addition, the Head of Baltic Banking is also the CEO of the holding company Swedbank Baltics AS.

14.11 Annual General Meeting

The shareholders exercise their influence through participation in the AGM. According to Swedbank's Articles of Association, the AGM shall be held before the end of April, or under special circumstances, no later than June 30. The AGM is normally held in Stockholm. The time and location are published in the Group's year-end report and on its website. The notice of the AGM is usually published five weeks in advance in Post och Inrikes Tidningar (the Official Swedish Gazette) and on the Group's website. An announcement that the notice has been posted is also placed in several major Swedish newspapers.

The 2022 AGM was conducted on March 30, 2022. A total of 637,274,673 shares, representing about 56 per cent. of the total number of shares in Swedbank were represented. The Board members who were nominated for re-election and new members followed the meeting, as did the Group Executive Committee and the Chief Auditor. The AGM approved an ordinary dividend of SEK 9.25 per share and an extraordinary dividend of SEK 2.00 per share. The record date for the dividend was set for April 1, 2022 and the dividend was paid on April 6, 2022. The dividend corresponds to 61 per cent. of the net profit for the financial years 2021.

The 2023 AGM is scheduled to take place on March 30, 2023. On January 30, 2023, Swedbank's Nomination Committee presented its proposal for the Board of Directors to the AGM and proposed the re-election of Göran Persson, Biörn Riese, Göran Bengtsson, Annika Creutzer, Hans Eckerström, Bengt Erik Lindgren, Anna Mossberg, Per Olof Nyman, Biljana Pehrsson, Helena Liljedahl and Kerstin Hermansson. In accordance with the bank's dividend policy to distribute 50 per cent. of profit for the

year, the Board of Directors is proposing a dividend of SEK 9.75 per share for the financial year 2022. The proposed record day for the dividend is April 3, 2023.

The Nomination Committee is the shareholders' governing body, which nominates Board members and the Auditor and proposes their fees, among other things.

The Nomination Committee currently consists of Lennart Haglund (Chair), Ylva Wessén, Martin Jonasson, Anders Oscarsson, Anette Björkman and Göran Persson.

The duties of the Nomination Committee, where applicable, are to submit proposals to the following AGM for decisions regarding:

- the election of a Chair of the AGM;
- remuneration of the Board members and Auditors;
- the election of the Board members, Chair and Auditors;
- principles for appointing the Nomination Committee at the next AGM; and
- the number of Board members.

14.12 Shareholders

The table below sets forth our largest shareholders as of December 31, 2022:

<u>Shareholder</u>	<u>% of capital and votes</u>
Sparbanksgruppen	11.86
Folksam	6.98
Norges Bank	4.36
Swedbank Robur Funds	4.02
Sparbankensstiftelser – excl Sparbanksgruppen	3.62
Vanguard	3.15
Blackrock	2.86
DWS Investments	2.00
T.Rowe Price	1.89
SEB Fonder	1.89
10 largest shareholders	42.62
Number of shareholders	352,465

15. Regulatory Considerations

15.1 Banking Regulation and Supervision in Sweden

15.1.1 *The Banking and financing business*

Banks and other companies in the financial sector are subject to extensive regulation in Sweden and elsewhere. This section briefly describes certain of the regulations governing Swedbank relating to capital adequacy and liquidity, MREL and the Resolution Act. The information herein is current as of the date of this Base Prospectus. Many regulations, particularly in the areas of capital adequacy, large exposures, liquidity and measures in case of a credit institution's financial difficulties are presently undergoing substantial changes, or have recently undergone such changes with resulting lack of foreseeability as to how they will be applied by the authorities. Some of these changes are referred to in the section titled "Risk Factors".

15.1.2 *General*

Banking, mortgage lending, leasing and other financing business in Sweden is regulated by the Swedish Banking and Financing Business Act (Sw: *Lagen (2004:297) om bank- och finansieringsrörelse*) (the "BFBA"), which sets out the fundamental requirements for obtaining a licence, principal rules for the operations and certain modifications from the companies act that are applicable to banks and credit market companies.

The Swedish Banking and Financing Business Act also requires credit institutions to conduct their business so as not to contribute to financial imbalances in the credit market.

Swedbank is a public limited liability bank company and has been granted a licence from the SFSA to conduct banking business under the BFBA as well as, *inter alia*, licences to carry out a securities business under the Swedish Securities Markets Act (Sw: *Lagen (2007:528) om värdepappersmarknaden*) and a pension savings business under the Individual Pension Savings Act (Sw: *Lagen (1993:931) om individuellt pensionssparande*). Furthermore, in addition to Swedbank Mortgage, many of Swedbank's other subsidiaries are regulated under Swedish or foreign laws regulating financial institutions and insurance companies, and are also subject to the supervision of the SFSA or the corresponding authority in other jurisdictions.

15.1.3 *Capital adequacy and liquidity*

The Swedish capital adequacy framework is based on CRR and the EU Capital Requirements Directive ("CRD"), which implement in the EEA the framework for capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions (the so called "Basel III" framework) published by the Basel Committee in 2010. In addition, on January 13, 2011, the Basel Committee published minimum requirements for regulatory capital to ensure loss absorbency at the point of non-viability.

Following the Basel III guidelines, on July 20, 2011, the European Commission published corresponding proposed changes at the EU level to replace the amended Capital Requirement Directive with two legislative instruments: a Regulation establishing prudential requirements institutions are required to respect and a Directive (through an amendment of Directive 2002/87/EC) governing the access to deposit-taking activities. The Fourth Capital Requirements Directive 2013/36/EU ("CRD IV") legislative package was published in the Official Journal of the European Union on June 27, 2013. CRD IV was required to be implemented by the EU member states so as to apply from January 1, 2014 and the CRR applied directly in the EU member states from January 1, 2014, in each case, with certain exceptions. Beginning January 1, 2014, the Swedish capital adequacy

framework is based on CRR and CRD IV. As from January 1, 2014 CRR became Swedish law, while CRD IV was implemented in Sweden in 2014 through amendments to Swedish legislation and SFSA regulations. CRR and CRD IV are complemented by a set of technical standards developed by the EBA and adopted by the European Commission.

CRR and CRD IV introduced significant changes in the prudential regulatory regime applicable to banks, including: increased minimum capital ratios; changes to the definition of capital and the calculation of REA; and the introduction of new measures relating to leverage, liquidity and funding. CRR and CRD IV permit a transitional period for certain of the enhanced capital requirements and certain other measures. The Swedish authorities decided however that the higher capital requirements resulting from the implementation of CRR and CRD IV would be implemented without any phasing-in period, with the only exception that capital instruments not fully compliant with CRR may be included in the total capital during a limited grandfathering period. Starting in 2014, Swedish banks have been required to report the leverage ratio to the regulator, and a formal disclosure requirement was introduced in the first quarter of 2015.

The SFSA has imposed capital requirements beyond the minimum level of 7 per cent. Common Equity Tier 1 ("CET 1") capital (including the mandatory capital conservation buffer of 2.5 per cent.) on Swedish banks, in accordance with the EU rules. In early September 2014, the SFSA decided which capital requirements would apply to Swedish banks beyond the minimum level of 7 per cent. Common Equity Tier 1 capital (including the mandatory capital conservation buffer of 2.5 per cent.) in accordance with the EU rules. As of January 1, 2015, the three major Swedish banks, including Swedbank, are required to maintain a systemic risk buffer of 3 per cent. in Common Equity Tier 1 capital within the framework of Pillar 1. The countercyclical buffer rate for Swedish exposures was set to 1.0 per cent. from September 13, 2015, was increased to 1.5 per cent. from June 27, 2016 and was increased further to 2.0 per cent. beginning March 19, 2017. In March 2020, the countercyclical buffer was reduced to 0.0 per cent. In September 2021, the SFSA decided to raise the countercyclical buffer rate to 1.0 per cent., which entered into force 12 months later in September 2022. In June 2022, the SFSA decided to raise the countercyclical buffer rate to 2.0 per cent., which will enter into force in June 2023.

In January 2016, the SFSA reiterated that it did not intend to make formal decisions on the capital requirement for individual institutions in Pillar 2. As long as a formal decision was not made, the capital requirement under Pillar 2 did not affect the level at which automatic restrictions on dividend and coupon payments on certain subordinated securities take effect (due to a breach of the combined buffer requirements). However, this has changed after the implementation of the Banking Package (CRR II and CRD V) with the introduction of a new Pillar 2 framework where there is a Pillar 2 requirement.

Supervisory authorities in Sweden and at the European level have made note of the major differences among the average risk weights institutions calculate their credit risk exposure under the banks' internal rating-based ("IRB") approach (a basis for calculating capital requirements for credit risk) especially as regards mortgage lending within the retail exposure class. In May 2013, the SFSA announced its decision to introduce a risk-weight floor of 15 per cent. for the Swedish mortgage portfolio, which was then increased to 25 per cent. in September 2014. The risk-weight floor was introduced as part of the SFSA's overall capital assessment under the supervisory measures in Pillar 2. As of the end of 2018, the Swedish mortgage floor has been replaced with the requirement within the framework of Article 458 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms and amending CRR to include the risk weight floor for Swedish mortgages in Pillar 1. This has not changed Swedbank's capital requirement materially in nominal monetary terms but has affected Swedbank's capital ratios and capital requirements expressed as a percentage of REA. At present, Swedbank has

sufficient CET 1 capital to meet its capital requirements. However, no assurances can be made that Swedbank will continue to hold this level of CET 1 capital.

In November 2018, the SFSA published a memorandum explaining that Swedish banks using an IRB approach to calculate their credit risk must analyse their risk classification systems to be compliant with amended guidelines produced by the EBA. On July 9, 2019 the SFSA confirmed that the EBA will delay the deadline for full compliance with the updated requirement to the end of 2021. Compliance with the updated requirements on the definition of default is still required by the end of 2020. As a result of the new guidelines, Swedbank is required to hold more capital. Swedbank has applied to have new internal models for risk classification approved and the application process is ongoing. Until the IRB models are approved and implemented, Swedbank has decided to hold an Article 3 add-on corresponding to the bank's estimate of the remaining REA effect from the new models.

In January 2020, the SFSA finalised a proposal to introduce increased capital requirements for commercial real-estate bank loans in the third quarter of 2020. The capital requirement consists of a charge in Pillar 2 that represents the difference between the bank's average risk weights for commercial properties and the risk weights that the SFSA has set out. The average risk weight is 35 per cent. for commercial real-estate and 25 per cent. for residential real-estate. According to the SFSA's SREP decision in 2022, Swedbank is subject to a total capital requirement of 0.7 per cent. of which 0.5 per cent. is to be fulfilled by Common Equity Tier 1 capital.

The leverage ratio is a new non-risk-adjusted solvency requirement introduced in Basel III. It is described as a backstop to the risk-based capital measures. It is intended to limit the leverage effects in the balance sheet of volumes that are overly large in relation to the Group's own capital and to provide an extra layer of protection against model risk and measurement error. Under CRR, banks have been required to calculate and report their leverage ratio to regulators since January 1, 2014 and to disclose extensive information about the ratio publicly since January 1, 2015.

The Basel III guidelines also include liquidity standards which comprise a Liquidity Coverage Ratio ("LCR") and a Net Stable Funding Ratio ("NSFR"). The LCR requires banks to hold a reserve of liquid assets sufficient to withstand a 30-day period of liquidity stress. The NSFR rules set minimum requirements for matching the maturities of a bank's funding to the maturity of its assets.

The CRR contains provisions regarding the components of LCR and is complemented with Delegated Regulation 2015/61. As of January 2018, the European regulatory minimum requirement for the LCR on an aggregated level is set to 100 per cent. Per previously communicated Pillar 2 requirements, the SFSA also requires banks to comply with LCR in EUR and USD at least at 100 per cent. As of October 1, 2019, the SFSA introduced a minimum requirement in LCR SEK of 75 per cent., as well as limited the allowed amount of covered bonds issued by Swedish issuers as a share of the total liquid assets to 50 per cent., aimed at limiting potential concentration risks. Swedbank calculates and monitors the LCR on a daily basis. The CRR also contains provisions on the NSFR, which became a binding requirement as of June 28, 2021. Swedbank regularly calculates, monitors, manages and publishes the NSFR and is well prepared for the implementation.

Under the SFSA regulation on Management of Liquidity Risk in Credit Institutions and Securities Companies, credit institutions and securities companies must have proper procedures for identifying, measuring and controlling liquidity risk and must also keep a liquidity reserve adapted to the size and the needs of the company.

European legislation also focuses on liquidity and funding risks in addition to the introduction of the LCR and the NSFR. There are separate reporting requirements on asset encumbrance, funding plans and additional liquidity monitoring metrics to further strengthen the information provided to supervisors.

Furthermore, the Internal Liquidity Adequacy Assessment Process is submitted to regulators as an additional report on systemic and institution specific risks related to liquidity and funding.

Amendments to regulations

On June 27, 2019, a series of measures referred to as the Banking Reform Package came into force, subject to various transitional and staged timetables. The adoption of the Banking Reform Package concludes a process that began in November 2016 and is a step toward the completion of the European post-crisis regulatory reforms, drawing on a number of international standards.

The Banking Reform Package updates the framework of harmonized rules established after the financial crisis and introduces changes to CRR, CRD IV, the BRRD 2014/59/EU and the Single Resolution Mechanism Regulation (EU) No 806/2014 (“SRMR”).

The new amendments cover multiple areas, including the Pillar 2 framework, a binding leverage ratio minimum requirement of 3 per cent., restrictions to the maximum distributable amount (“MDA”) if the minimum requirement is breached, a binding net stable funding ratio requirement, mandatory restrictions on distributions, permission for reducing own funds and eligible liabilities, macro prudential tools, the Basel Committee’s new standardised approach for measuring counterparty credit risk exposures, the Basel Committee’s Fundamental Review of the Trading Book, the framework for MREL and the integration of the total absorbing capacity standard into EU legislation. The new amendments were implemented by Swedish national legislation in 2020 and 2021.

In November 2020, the SFSA decided to change the capital requirements as a result of the amendments to the CRD IV. The O-SII buffer was previously a 2.0 per cent. parallel requirement with the systemic risk buffer. As of December 29, 2020, the O-SII buffer was reduced to 1.0 per cent and added on top of the systemic risk buffer. At the same time, the systemic risk charge of 2.0 per cent. in Pillar 2 was removed.

The SFSA now takes formal decisions under the Pillar 2 requirement, which means that the MDA is triggered should an institution breach its Pillar 2 requirements. Furthermore, the SFSA provides guidance as to how much capital institutions should hold in addition to their Pillar 2 requirement to mitigate future financial stress.

A leverage ratio requirement of 3.0 per cent. of the leverage exposure measure has been a binding capital requirement since June 28, 2021. In addition, the SFSA decides on leverage ratio guidance in accordance with the Pillar 2 framework to be met on top of the leverage ratio requirement. The leverage ratio requirement is a parallel requirement to the risk-based capital requirement.

Requirements and guidance in accordance with the new Pillar 2 for Swedbank are determined through the annual SREP.

In December 2017, the Basel Committee presented the finalised Basel III regulations, usually called Basel IV. The regulations contain a number of policy and supervisory actions to strengthen the reliability and comparability of risk-weighted capital ratios and reduce unjustified differences in capital requirements between banks and countries. The actions include revisions to the standardised approaches used to estimate banks’ capital requirements for credit risk. A floor was introduced for banks that use internal models to calculate risk-weighted assets. The floor means that risk-weighted assets may not fall below 72.5 per cent. of the amount calculated using the standardised approach. The proposed changes would be introduced gradually starting in 2023 and be fully implemented by 2028.

According to a recent European Council proposal to implement the finalised Basel III regulations in the EU, the output floor should be phased in starting in 2025 and until 2030. The proposal also contains exemptions beyond what was proposed by the Basel Committee. The exemptions are proposed to apply until 2032.

15.1.4 MREL

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

The SNDO has determined that the MREL requirement for systemically important banks in Sweden, such as Swedbank, will be the sum of a loss absorption amount plus a recapitalisation amount. The MREL requirement can be met with own funds instruments (CET1, AT1 and Tier 2) and eligible liabilities.

Moreover, the SNDO has introduced a subordination requirement that part of the MREL requirement must be fulfilled by own funds and subordinated to senior liabilities, whether contractually, by statute or structurally. This subordination requirement will require the issue of new subordinated liabilities that meet the requirements, and which may carry higher financing costs than the liabilities which they replace. The SNDO has stated that it will monitor a bank's issue volumes in the phase in period to ensure a reasonable pace of the adaption to the subordination requirement.

On July 1, 2021, the amended Resolution Act took effect. The amendments are based on the BRRD II, which among other things contains provisions on MREL. Due to the amended law, the SNDO decided on a new policy on how to implement the MREL on January 1, 2022. The MREL entered into force on January 1, 2022 and will be completed by January 1, 2024. Part of the requirement will be met with own funds and subordinated eligible liabilities while the rest will be met with eligible liabilities. Under the new framework, a breach of the minimum requirement for eligible liabilities can result in restrictions on the maximum distributable amount (commonly referred to as the M-MDA). The minimum requirement applicable to Swedbank from January 1, 2022 is 13.5 per cent. of REA and 5.0 per cent. of LRE. The fully phased in minimum requirement applicable to Swedbank from January 1, 2024 is 28.0 per cent. of REA and 6.0 per cent. of LRE, according to the decision from the SNDO in December 2022. The fully phased in subordination requirement applicable to Swedbank from January 1, 2024 is 20.5 per cent. of REA and 6.0 per cent. of LRE.

15.1.5 Covered bond issuance

Banks and credit market companies may be licensed to issue covered bonds under the Swedish Covered Bond Issuance Act (Sw: *Lagen (2003:1223) om utgivning av säkerställda obligationer*), which sets out the requirements for issuance of covered bonds in terms of permitted assets in the cover pool, valuation of real property and matching between assets and liabilities. Swedish law grants a priority right for the covered bond holders and derivatives counterparties over the assets in the pool.

15.1.6 Foreign exchange and credit control

The Swedish Act on Foreign Exchange and Credit Controls (Sw: *Lagen (1992:1602) om valuta- och kreditreglering*) empowers the Swedish government, following consultation with the Swedish Central Bank, to implement foreign exchange controls if Sweden is at war, or if there are exceptional conditions prevailing on account of war, risk of war, serious accident or exceptionally heavy short-term capital movements. If foreign exchange controls have been introduced, the Swedish government is also entitled to implement credit controls upon request by the Swedish Central Bank. Any resolution

implementing such controls is required to be submitted to the Swedish Parliament for approval within one month from the resolution. Should this not be done within the stipulated time, the resolution ceases to be valid.

15.1.7 Payment services

The Swedish Payment Services Act (Sw: *Lagen (2010:751) om betaltjänster*) regulates the provision of payment services to the public and contains, *inter alia*, rules on information to customers and time limits for payment transactions and from January 1, 2021, rules on providing certain cash services.

15.1.8 Deposit guarantees and other consumer protection

In order to protect depositors, Sweden has a deposit guarantee scheme regulated by the Swedish Act on Deposit Guarantees (Sw: *Lagen (1995:1571) om insättningsgaranti*). The guaranteed amount per saver per institution is SEK 1,050,000 (or EUR 100,000, or the local currency equivalent thereof, for deposits with branches of Swedish institutions located within the EEA). Under the state-provided guarantee, the Swedish government will compensate customers for money that they have deposited with Swedish banks and certain other institutions if the institution fails. The scheme is managed by the SNDO (Sw: *Riksgälden*). The Noteholders' claims under the Notes will not benefit from the deposit guarantee scheme.

Loans and other credit granted to individuals and intended for consumer purposes, including home loans, are covered by the Swedish Consumer Credit Act (Sw: *Konsumentkreditlagen (2010:1846)*). Some of the more important features of the act are restrictions on a lender's right to raise interest rates and fees on an existing credit, restrictions on a lender's right to terminate the loan early, and a right for the consumer to prepay the loan.

Financial advice to consumers is governed by the Swedish Act on Financial Advice to Consumers (Sw: *Lagen (2003:862) om finansiell rådgivning till konsumenter*), which sets out certain requirements regarding competence of advisers and documentation of given advice as well as liability in case of careless advice.

Furthermore, the GDPR, which entered into force in May 2018, imposes new obligations directly on the Group as primarily a data controller and in some cases a data processor, as well as on many of the Group's customers.

15.1.9 Money laundering and financing of terrorism

All banks and credit market institutions based in Sweden are subject to Swedish legislation designed to prevent money laundering and financing of terrorism. The Swedish Act on Measures against Money Laundering and Financing of Terrorism (Sw: *Lagen (2017:630) om åtgärder mot penningtvätt och finansiering av terrorism*) prohibits banks and credit institutions from engaging in money laundering activities or financing terrorism and requires those institutions to report transactions suspected of violating this law to the Swedish Police Authority and Swedish Security Service.

15.1.10 Securities trading

Securities trading is regulated by the Swedish Securities Markets Act (Sw: *Lagen (2007:528) om värdepappersmarknaden*). In addition to stipulating requirements for obtaining a licence to conduct securities business, the act contains rules for investor protection and rules governing the operations of the securities company as well as rules on transaction reporting and trading platforms. Certain of the regulations mentioned under the headline "The Banking and financing business" above are applicable to securities companies as well.

EMIR entered into force in all EU member states, including Sweden, on August 16, 2012. EMIR aims to increase stability and transparency in European OTC derivatives markets and includes measures to require the clearing of certain OTC derivatives contracts through central clearing counterparties, reporting of derivatives and risk mitigation techniques (including margin requirements) for uncleared OTC derivative contracts. A number of EMIR implementing measures have already been adopted but there may be further changes introduced by way of further implementing measures (such as a requirement to clear further classes of OTC derivative contracts). EMIR itself was amended in 2019 with what is widely referred to as the EMIR Refit Regulation and is scheduled to be further updated.

15.1.11 Asset management

Fund management is governed by the Swedish Securities Funds Act (Sw: *Lagen (2004:46) om värdepappersfonder*) which contains basic requirements to obtain a fund management licence as well as extensive regulation regarding management of the assets of a fund. Certain of the regulations mentioned under the headline “The Banking and financing business” above are applicable to fund managers as well.

15.1.12 Insurance

Insurance business is governed by the Swedish Insurance Business Act (Sw: *Försäkringsrörelselagen (2010:2043)*), which sets out the rules under which a licence can be obtained to conduct insurance business. This act also contains corporate rules and regulations pertaining to the operations. Swedbank’s insurance business is also subject to capital requirements under the Solvency II Directive (2009/138/EC).

15.1.13 Supervision

The SFSA is the supervisory authority for financial and insurance institutions in Sweden. The SFSA issues regulations and supervises the operations of financial institutions with regard to, *inter alia*, capital adequacy and large exposures, liquidity, accounting, governance structures, risk control, consumer protection and procedures for the prevention of money laundering and terrorism financing. The SFSA is empowered with a range of tools to facilitate its supervision, including the right to perform site visits and to interview the employees of an institution under its supervision. Should the SFSA conclude that the operations of an institution are not sound or that the institution is otherwise breaching laws or regulations, it may impose administrative sanctions on the institution, such as disciplinary reprimands, warnings, fines and ultimately revoking its licence to operate.

The Swedish Central Bank, which is accountable to the Swedish Parliament, sets monetary policy, is responsible for the execution of Sweden’s foreign exchange rate policy, administers Sweden’s currency reserves and, under certain circumstances, is empowered and ready to act as lender of last resort to the banks. It also handles the clearing arrangements between the banks.

15.1.14 Mortgage Regulation

A New Consumer Credit Directive (CCD)

The EU commission has adopted a legislative proposal as to the current consumer credit directive in force (Consumer Credit Directive, 2008/48/EC). Revisions made aim at enhancing consumer protection and ensure responsible and transparent digital lending. Requirements of credit information being clearly presented to the consumer and adapted to digital devices. Other parts are enhanced requirements in terms of information on the total cost of the credit and a mandatory assessment of creditworthiness. The scope of the revised directive has been expanded to cover loans assessed to be of a higher consumer risk such as smaller loan amounts, loan relating to crowd lending platforms

or buy now pay later loans. The Council of the EU and the European Parliament reached a provisional agreement in December 2022. Swedbank Mortgage monitors any regulatory developments in this part and is currently awaiting the outcome of the final EU approval as well as the formal steps of the adoption procedure.

Review of the Mortgage Credit Directive (MCD)

The Mortgage Credit Directive (Directive 2014/17/EU) is applicable to mortgage loans. The EU commission undertook a review of the MCD's effectiveness four years after the transposition deadline. The outcome of the review showed a need to ensure that the MCD is fit for purpose, considering market developments and challenges tied to digitalisation and sustainable finance. Following the review, the European Commission launched a consultation round ending beginning of 2022. Consulting parties stressed the importance of mortgages not being mis-sold; the risks of over indebtedness being properly addressed as well as the importance of

any risks emerging from digitalisation being adequately addressed. In addition, did the European Banking Authority (EBA) issue a report in response to the EU Commission's request for technical advice on issues related to the mortgage credit Directive (EBA/REP/2022/15). Swedbank Mortgage is currently awaiting the next step to be made on EU level following the EU Commission's issuance of the factual summary report on the consultation round.

SFSA general guidelines regarding credits in consumer relationships (FFFS 2021:29)

The updated guidelines form its basis in the EBA guidelines on loan origination and monitoring (EBA/GL/2020/06). The SFSA regulatory changes entered into force November 1, 2021, whereupon the general guidelines on consumer credits from 2014 were replaced. The 2021 guidelines cover good lending practices and consumer credit assessments. The document stresses parts such as gathering of information in terms of a credit assessment, how data should be gathered and reviewed as well as considered when assessing the consumers actual payment capacity. Swedbank Mortgage has conducted work in terms of strengthening its credit process to ensure regulatory compliance with enhanced requirements set out in the updated guidelines.

15.1.15 The Resolution Act and the Act on Preventative Government Support to Credit Institutions

On July 2, 2014, Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms entered into force, the BRRD. The BRRD is intended to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system. On February 1, 2016, the BRRD was implemented in Sweden by the entry into force of the Resolution Act (Sw. lagen (2015:1016) om resolution).

A credit institution can be placed into resolution by the SNDO (the "resolution authority") if (a) the SFSA has determined that the institution is failing or likely to fail, (b) there are no alternative measures which would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is necessary in the public interest. The Resolution Act contains four resolution tools and powers which may be used alone or in combination. The resolution tools are: (i) sale of business, which enables the resolution authority to direct the sale of the institution or the whole or part of its business on commercial terms; (ii) in order to enable continuation of critical businesses, transfer all or part of the assets or liabilities of the institution to a "bridge institution" (an entity created for this purpose that is wholly or partially publicly owned); (iii) asset separation, which enables the resolution authority to transfer assets, rights or liabilities to one or more asset management vehicles, wholly or partially publicly owned, to allow them to be managed with a view to maximising their value through eventual

sale or orderly wind-down (this tool may only be used together with another resolution tool); and (iv) bail-in, which gives the resolution authority the power to write down certain claims of unsecured creditors (including the Notes) of a failing institution and to convert certain unsecured debt claims, including the Notes, in to equity (the “general bail-in tool”), which equity could also be subject to any future cancellation, transfer or dilution. In addition, the resolution authority has, amongst others, the power to: (i) stop payments from the institution under resolution; (ii) take action to prevent creditors and other counterparties of the institution from terminating contracts early or executing set-off or netting arrangements; and (iii) to vary the maturity, the interest rate and the interest payment date of the relevant unsecured debt claims (including the Notes).

An institution is considered as failing or likely to fail when it is, or is likely in the near future to be, in breach of its obligations to the extent that its authorisation should be withdrawn; the value of its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires public financial support (with some exceptions listed in the Resolution Act).

In addition to the resolution tools (such as the general bail-in tool), the BRRD provides for resolution authorities to have the further power to permanently write-down or convert into equity tier 1 capital instruments and tier 2 capital instruments at the point of non-viability and before any other resolution action is taken (“non-viability loss absorption”). Any shares issued to holders of such capital instruments upon any such conversion into equity may also be subject to any future cancellation, transfer or dilution. This power has been extended to include external eligible liabilities (such as the Notes) if used in combination with a resolution power since BRRD II was implemented.

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the BRRD is the point at which (i) the relevant authority determines that the relevant entity meets the conditions for resolution (but no resolution action has yet been taken) or (ii) the relevant authority or authorities, as the case may be, determine(s) that the relevant entity or its group will no longer be viable unless the relevant capital instruments are written-down or converted or (iii) extraordinary public financial support is required by the relevant entity or its group other than, where the relevant entity is an institution, for the purposes of remedying a serious disturbance in the economy of a Member State of the EEA and to preserve financial stability.

The BRRD also provides for a Member State as a last resort, after having assessed and utilised the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

For a discussion on how the Resolution Act may affect the Group and the Notes, see “Risk Factors—Risks Relating to the Issuer’s Financial Situation—Swedbank or its financial institution subsidiaries may need additional capital and/or eligible liabilities in the future to maintain capital adequacy ratios or for other reasons, and it may be difficult to obtain such capital and/or eligible liabilities”, “–Risks Relating to Macroeconomic and Political Events—The Group’s business is subject to substantial regulation and supervision and can be adversely affected by adverse regulatory, taxation and governmental developments” and “Risk Factors—General Risks Relating to the Notes—The Notes may be subject to write-down or conversion into ordinary shares of Swedbank”.

Also on February 1, 2016, the Act on Preventative Government Support to Credit Institutions (Sw. lagen (2015:1017) om förebyggande statligt stöd till kreditinstitut) entered into force. This act enables the authorities to give government support to credit institutions at an earlier stage than a point in time when the Resolution Act would apply. In addition, this act stipulates the setting up of a stability fund

for the purpose of financing preventive action under the act as well as actions taken under the Resolution Act.

15.2 Banking Regulation and Supervision in the United States

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

In particular, in December 2013, the U.S. Board of Governors of the Federal Reserve System (the “U.S. Federal Reserve”) and four other U.S. federal regulatory agencies issued final regulations implementing the Volcker Rule, which restricts banking entities (including Swedbank and all of its global affiliates) from engaging, as principal, in proprietary trading and from sponsoring or holding ownership interests in or having certain relationships with hedge, private equity or other similar funds (“covered funds”), subject to certain exceptions and exclusions. Swedbank has brought its activities and investments into compliance and has implemented a specific compliance programme. Further implementation efforts may be necessary based on subsequent regulatory interpretations, guidelines or examinations. On August 20, 2019, the relevant U.S. federal agencies finalised a rulemaking that amended, in part, certain of the proprietary trading provisions under the Volcker Rule. In addition, on January 30, 2020, the relevant U.S. federal agencies released a notice of proposed rulemaking to amend certain parts of the Volcker Rule’s covered fund-related restrictions. The proposed changes were intended to improve and streamline certain aspects of the covered funds portion of the Volcker Rule. The rule was finalised in June 2020.

Additionally, on October 21 and 22, 2014, the SEC, the U.S. Federal Deposit Insurance Corporation, the U.S. Federal Reserve and certain other U.S. prudential banking regulators approved a final rule that mandates risk retention for securitisations. The final rule requires (with limited exceptions) that the sponsor maintain, unhedged, a minimum of 5 per cent. of the credit risk of the securitised assets and became effective with respect to mortgage-backed securitisations on December 24, 2015 and with respect to other securitisations on December 24, 2016.

While most of the regulations required under the Dodd Frank Act have been adopted, certain of these regulations are not yet effective and have not yet been finalised. There is uncertainty regarding the nature, scope and timing of additional regulations that are required under the Dodd Frank Act but which have yet to be promulgated, and in 2018 the U.S. passed legislation which scaled back the scope of the Dodd Frank Act. As a result, the full effect on Swedbank or its affiliates will not be known until all of the implementing regulations have been adopted.

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

facility, as applicable, and centrally cleared, and imposes capital requirements and margin requirements for uncleared Covered Swap transactions.

Many of the key regulations implementing Title VII have recently become effective or are in final form, although some continue to be in a proposed form not yet finalised by the appropriate regulator. However, the interpretation and potential impact of these regulations is not yet entirely clear, and certain other key regulations, particularly with respect to security-based swaps, are yet to be finalised or made effective. Due to this uncertainty, a complete assessment of the exact effects of Title VII cannot be made at this time.

16. Taxation

16.1 United States Taxation

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by a U.S. Holder (as defined below) (other than “FATCA Withholding” and “Fungible Issue” which apply to all holders). This summary does not address the U.S. federal income tax consequences of every type of Note which may be issued under the Programme, such as Notes with a term of more than 30 years or with certain contingent payment features or with payments denominated or determined by reference to more than one currency, and additional or modified disclosure concerning certain U.S. federal income tax consequences relevant to such type of Note may be provided, as appropriate. This summary deals only with initial purchasers of Notes that acquire the Notes in an offering at their initial offering price, that are U.S. Holders and that will hold the Notes as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors, and does not address U.S. state, local, non-U.S. or other tax laws (including estate or gift tax, the alternative minimum tax or Medicare tax on net investment income). This summary also does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Notes as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, persons subject to special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account in an applicable financial statement, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding the Notes in connection with a trade or business conducted outside of the United States, U.S. citizens or lawful permanent residents living abroad or investors whose functional currency is not the U.S. dollar).

As used herein, the term “U.S. Holder” means a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised 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 U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Notes will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax adviser concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Notes by the partnership.

This summary is based on the tax laws of the United States including the U.S. Internal Revenue Code of 1986, as amended (“Code”), its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect. No rulings have been requested from the U.S. Internal Revenue Service (the “IRS”) and there can be no guarantee that the IRS would not challenge, possibly successfully, the treatment described below.

Bearer Notes are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Note may be subject to limitations under United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Code. This discussion does not address the consequences of the acquisition, ownership and disposition of Bearer Notes.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF U.S. STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

16.1.1 *Payments of Interest*

16.1.1.1 *General*

Interest on a Note, whether payable in U.S. dollars or a single currency other than the U.S. dollar (a “foreign currency”), other than interest on a “Discount Note” that is not “qualified stated interest” (each as defined below under “Original Issue Discount—General”) and subject to any reduction on account of amortisable bond premium (as discussed below under “Notes Purchased at a Premium”, will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on such holder’s method of accounting for U.S. federal income tax purposes. Interest paid by the Issuer on the Notes and original issue discount (“OID”), if any, accrued with respect to the Notes (as described below under “Original Issue Discount”) generally will constitute income from sources outside the United States. Prospective purchasers should consult their tax advisers concerning the applicability of the foreign tax credit and source of income rules to income attributable to the Notes.

16.1.1.2 *Pre-Issuance Accrued Interest*

If a portion of the price paid for a Note is attributable to an amount of interest accrued prior to the date the Note is issued (the “pre-issuance accrued interest”), the Issuer intends to treat a portion of the first interest payment on the Notes equal to the amount of the pre-issuance accrued interest as a nontaxable return of the pre-issuance accrued interest. This discussion assumes that the first interest payment on Notes with pre-issuance accrued interest will be so treated, and references to interest in the remainder of this discussion exclude pre-issuance accrued interest. This discussion assumes that in determining the issue price of a Note, there will be excluded an amount equal to the pre-issuance accrued interest. Pre-issuance accrued interest not included in income should not form part of any amortisable bond premium (as described below under “Notes Purchased at a Premium”). A U.S. Holder’s tax basis in a Note will be reduced by any nontaxable return of pre-issuance accrued interest. This discussion does not otherwise address the treatment of pre-issuance accrued interest, and U.S. Holders should consult their tax advisers concerning the U.S. federal income tax treatment of pre-issuance accrued interest.

16.1.2 *Original Issue Discount*

16.1.2.1 *General*

The following is a summary of certain U.S. federal income tax consequences of the ownership of Notes issued with OID. The following summary does not discuss Notes that are characterised as contingent payment debt instruments for U.S. federal income tax purposes.

A Note, other than a Note with a term of one year or less (a “Short-Term Note”), will be treated as issued with OID (a “Discount Note”) if the excess of the Note’s “stated redemption price at maturity”

over its issue price is equal to or more than a *de minimis* amount (0.25 per cent of the Note's stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an "instalment obligation") will be treated as a Discount Note if the excess of the Note's stated redemption price at maturity over its issue price is equal to or greater than 0.25 per cent of the Note's stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note's weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note's stated redemption price at maturity. Generally, the issue price of a Note will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents or wholesalers. The stated redemption price at maturity of a Note is the total of all payments provided by the Note that are not payments of "qualified stated interest". A qualified stated interest payment generally is any one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate (in the circumstances described below under "Variable Interest Rate Notes"), applied to the outstanding principal amount of the Note. Solely for the purposes of determining whether a Note has OID, the Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note. If it was deemed that any call or put option would be exercised but it is not in fact exercised, the Note would be treated solely for purposes of calculating OID as if it were redeemed, and a new Note were issued, on the presumed exercise date for an amount equal to the Note's adjusted issue price on that date and retaining the same maturity date.

U.S. Holders of Discount Notes must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note. 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. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note's adjusted issue price at the beginning of the accrual period and the Discount Note's 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 payments of qualified stated interest on the Note allocable to the accrual period. The "adjusted issue price" of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

16.1.2.2 *Acquisition Premium*

A U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being "acquisition premium") and that does not make the election described below under "Election to Treat All Interest as Original Issue Discount", is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder's adjusted tax basis in the Note immediately after its purchase over the Note's adjusted

issue price and the denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Note's adjusted issue price.

16.1.2.3 *Short-Term Notes*

In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID (as specially defined below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realised on the sale or retirement of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realised.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note's stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Note. This election will apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

16.1.2.4 *Market Discount*

A Note, other than a Short-Term Note, generally will be treated as purchased at a market discount (a "Market Discount Note") if the Note's stated redemption price at maturity or, in the case of a Discount Note, the Note's "revised issue price", exceeds the amount for which the U.S. Holder purchased the Note by at least 0.25 per cent of the Note's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note's maturity (or, in the case of a Note that is an instalment obligation, the Note's weighted average maturity). If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes "*de minimis* market discount". For this purpose, the "revised issue price" of a Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments. Additionally, for this purpose the "stated redemption price at maturity" (as defined above) is decreased by the amount of any payments previously made on the Note that were not qualified stated interest.

Any gain recognised on the sale or retirement of a Market Discount Note (including any payment on a Note that is not qualified stated interest) generally will be treated as ordinary income to the extent of the accrued market discount on the Note. Alternatively, a U.S. Holder of a Market Discount Note may avoid such treatment by electing to include market discount in income currently over the life of the Note. This election applies to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the IRS.

A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently may be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note. Such interest is deductible when paid or incurred to the extent of interest

(including OID) from the Note for the year. If the interest expense exceeds such income, such excess is currently deductible only to the extent that such excess exceeds the portion of the market discount allocable to the days during the taxable year on which such Note was held by the U.S. Holder.

Market discount will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Market Discount Note with respect to which it is made and is irrevocable.

16.1.2.5 *Variable Interest Rate Notes*

Notes that provide for interest at variable rates (“Variable Interest Rate Notes”) generally will bear interest at a “qualified floating rate” and thus will be treated as “variable rate debt instruments” under United States Treasury regulations governing accrual of OID. 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 Note by more than a specified *de minimis* amount, (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) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A “qualified floating rate” is any variable rate where variations in the value of the 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 Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. 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 Note (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note’s issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e., a cap) or a minimum numerical limitation (i.e., a floor) may, under certain circumstances, fail to be treated as a qualified floating rate.

Under recently finalised U.S. Treasury regulations, Notes referencing an IBOR that are treated as having a qualified floating rate for purposes of the above will not fail to be so treated merely because the terms of the Notes provide for a replacement of the IBOR in the case of a Benchmark Event. In particular, under the regulations, the IBOR referencing rate and the replacement rate are treated as a single qualified rate.

An “objective rate” is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on 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 the Issuer’s stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note’s 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 Note's term. A "qualified inverse floating rate" is any objective rate where the 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. 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 if the variable rate on the Variable Interest Rate Note's issue date is intended to approximate the fixed rate (e.g., the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), 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 qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a "current value" of that rate. A "current value" of a rate is the value of the rate on any day that is no earlier than 3 months prior to the first day on which that value is in effect and no later than 1 year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a "variable rate debt instrument", then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a "variable rate debt instrument" generally will not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a "true" discount (i.e., at a price below the Note's stated principal amount) equal to or in excess of a specified *de minimis* amount. OID on a Variable Interest Rate Note arising from "true" discount is allocated to an accrual period using the constant yield method described above 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 Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a "variable rate debt instrument" will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an "equivalent" fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a "variable rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an “equivalent” fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the “equivalent” fixed rate debt instrument by applying the general OID rules to the “equivalent” fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the “equivalent” fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the “equivalent” fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a “variable rate debt instrument”, then the Variable Interest Rate Note will be treated as a contingent payment debt obligation. Additional or modified disclosure concerning proper U.S. federal income tax treatment of Variable Interest Rate Notes that are treated as contingent payment debt obligations may be provided, as applicable.

16.1.3 Notes Purchased at a Premium

A U.S. Holder that purchases a Note for an amount in excess of its principal amount, or for a Discount Note, its stated redemption price at maturity, may elect to treat the excess as “amortisable bond premium”, in which case the amount required to be included in the U.S. Holder’s income each year with respect to interest on the Note will be reduced by the amount of amortisable bond premium allocable (based on the Note’s yield to maturity) to that year. Special rules may limit the amortisation of bond premium with respect to Notes subject to early redemption. Any election to amortise bond premium will apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also “Original Issue Discount—Election to Treat All Interest as Original Issue Discount”.

16.1.4 Election to Treat All Interest as Original Issue Discount

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under “Original Issue Discount — General,” with certain modifications. For purposes of this election, interest includes stated interest, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortisable bond premium (described above under “Notes Purchased at a Premium”) or acquisition premium. This election generally will apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. If the election to apply the constant-yield method to all interest on a Note is made with respect to a Market Discount Note, the electing U.S. Holder will be treated as having made the election discussed above under “Original Issue Discount—Market Discount” to include market discount in income currently over the life of all debt instruments having market discount that are acquired on or after the first day of the first taxable year to which the election applies. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

16.1.5 Sale or Retirement of Notes

A U.S. Holder generally will recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and the U.S. Holder’s adjusted tax basis of the Note. A U.S. Holder’s adjusted tax basis in a Note generally will be its cost, increased by the amount of any OID or market discount included in the U.S. Holder’s income with respect to the Note and the amount, if any, of income attributable to *de minimis* OID and *de minimis* market discount included in the U.S. Holder’s income with respect to the Note, and reduced by (i) the amount of any

payments that are not qualified stated interest payments, and (ii) the amount of any amortisable bond premium applied to reduce interest on the Note. The amount realised does not include the amount attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income. Except to the extent described above under “Original Issue Discount — Market Discount” or “Original Issue Discount — Short Term Notes” or attributable to changes in exchange rates (as discussed below), gain or loss recognised on the sale or retirement of a Note will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder’s holding period in the Notes exceeds one year.

Capital gain or loss realised by a U.S. Holder on the sale or retirement of a Note generally will be U.S. source.

16.1.6 Foreign Currency Notes

16.1.6.1 Interest

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognised by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognised with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year).

Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note) denominated in, or determined by reference to, a foreign currency, the accrual basis U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

16.1.6.2 OID

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment on the Note or a sale or disposition of the Note), a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated

into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

16.1.6.3 *Market Discount*

Market discount on a Note that is denominated in, or determined by reference to, a foreign currency, will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognise U.S. source exchange gain or loss (which will be taxable as ordinary income or loss) determined in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognise, upon the sale or retirement of the Note, the U.S. dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

16.1.6.4 *Bond Premium*

Bond premium (including acquisition premium) on a Note that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such bond premium that is taken into account currently will reduce interest income (or OID) in units of the foreign currency. On the date bond premium offsets interest income (or OID), a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the amount offset multiplied by the difference between the spot rate in effect on the date of the offset, and the spot rate in effect on the date the Notes were acquired by the U.S. Holder. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account currently will recognise a market loss when the Note matures.

16.1.6.5 *Sale or Retirement*

As discussed above under "Sale or Retirement of Notes," a U.S. Holder generally will recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and its tax basis in the Note, in each case as determined in U.S. dollars. U.S. Holders should consult their tax advisers about how to account for proceeds on the sale or retirement of a Note that are not paid in U.S. dollars.

A U.S. Holder will recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) on the sale or retirement of a Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder's purchase price for the Note (as adjusted for amortised bond premium, if any) (i) on the date of sale or retirement and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss will be realised only to the extent of total gain or loss realised on the sale or retirement (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest or OID).

16.1.6.6 *Disposition of Foreign Currency*

Foreign currency received as interest on a Note or on the sale or retirement of a Note will have a tax basis equal to its U.S. dollar value at the time the foreign currency is received. Foreign currency that is purchased generally will have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

16.1.7 Backup Withholding and Information Reporting

In general, payments of principal and interest and accruals of OID on, and the proceeds of a sale or retirement of, the Notes, by a U.S. paying agent or other U.S. intermediary, will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding will apply to these payments, including payments of accrued OID, if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or otherwise fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers about these rules and any other reporting obligations that may apply to the ownership or disposition of Notes, including requirements related to the holding of certain foreign financial assets.

16.1.8 Reportable Transactions

A U.S. taxpayer that participates in a “reportable transaction” will be required to disclose its participation to the IRS. Under the relevant rules, if the Notes are denominated in a foreign currency, a U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if this loss exceeds the relevant threshold in the regulations (U.S.\$50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders), and to disclose its investment by filing Form 8886 with the IRS. A penalty in the amount of U.S.\$10,000 in the case of a natural person and U.S.\$50,000 in all other cases generally is imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. Prospective purchasers are urged to consult their tax advisers regarding the application of these rules.

16.1.9 Fungible Issue

The Issuer may, without the consent of the holders of outstanding Notes, issue additional Notes with identical terms. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, in some cases may be treated as a separate series for U.S. federal income tax purposes. In such a case, among other things, the additional Notes may be considered to have been issued with OID even if the original Notes had no OID, or the additional Notes may have a greater amount of OID than the original Notes. These differences may affect the market value of the original Notes if the additional Notes are not otherwise distinguishable from the original Notes.

16.2 FATCA Withholding

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a “foreign financial institution” (including an intermediary through which Notes are held) may be required to withhold at a rate of 30% on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is registered with the IRS as a foreign financial institution for these purposes. A number of jurisdictions (including Sweden) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (each an “IGA”), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of these rules to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are not clear at this time. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining “foreign passthru payments” are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Notes that have a fixed term

and are not treated as equity for U.S. federal income tax purposes issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under “Terms and Conditions—Further Issues”) that are not distinguishable from these Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

16.3 Swedish Taxation

The following summary outlines certain Swedish tax consequences to holders of Notes who are not residents of Sweden for income tax purposes. Purchasers are urged to consult their professional advisers as to the tax consequences of acquiring, holding or transferring Notes.

Under Swedish law as presently in effect, payments of any principal or any amount that is considered to be interest for Swedish tax purposes to the holder of any Note will not be subject to Swedish income tax, provided that such holder is neither (i) resident in Sweden for tax purposes nor (ii) engaged in trade or business in Sweden through a permanent establishment to which the Notes are effectively connected.

Swedish law, as presently in effect, does not provide for deduction or withholding for or on account of taxes on payments of any principal or interest to the holder of any Notes, except on payment of interest, and any other yield on any Notes which is paid at the same time as interest, to a holder of Notes who is a private individual (or an estate of a deceased individual) with tax residence in Sweden.

16.4 The Proposed Financial Transactions Tax ("FTT")

On February 14, 2013, the European Commission published a proposal (the "Commission's Proposal") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "participating member states"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating member states. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating member states. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU member states may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

17. ERISA Considerations

The Notes are generally eligible for purchase by employee benefit plans subject to the fiduciary responsibility and prohibited transaction provisions of Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and/or the prohibited transaction rules of section 4975 of the Code (collectively, “Plans”) and by governmental or church plans or non-U.S. employee benefit plans that are subject to federal, state or local laws of the United States or non-U.S. laws that are substantially similar to section 406 of ERISA or section 4975 of the Code (“Similar Law”), subject to consideration of the issues described in this section.

Section 406 of ERISA and section 4975 of the Code prohibit certain transactions involving the assets of a Plan and any fiduciary, service provider or other person having certain relationships to such Plan (each is referred to as a party in interest or disqualified person), unless a statutory or administrative exemption applies to the transaction. A party in interest or disqualified person, including a Plan fiduciary, who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and section 4975 of the Code.

The Issuer, the Dealers or any other party to the transactions contemplated by this Base Prospectus as completed by any Final Terms may be parties in interest or disqualified persons with respect to many Plans from time to time. Prohibited transactions under ERISA or section 4975 of the Code may arise if any of the Notes are acquired or held by a Plan with respect to which the Issuer, the Trustee, the Dealers or any other party to such transactions is a party in interest or a disqualified person. The Notes should not be acquired or held by any such Plan unless an exemption from such prohibited transaction rules applies, or by any governmental, church or non-U.S. plan subject to Similar Law unless the acquisition, holding and disposition of a Note (or any interest therein) will not result in any violation of Similar Law.

Certain exemptions from the prohibited transaction provisions of ERISA and section 4975 of the Code may apply, depending in part on the Plan fiduciary making the decision to acquire any Notes and the circumstances under which such decision is made. Included among these exemptions are section 408(b)(17) of ERISA and section 4975(d)(20) of the Code (relating to a transaction in which a Plan pays no more and receives no less than adequate consideration and involving a party in interest solely by reason of services provided to the Plan and neither it nor any of its affiliates is acting as a fiduciary with respect to assets involved in the transaction), Prohibited Transaction Class Exemption (“PTCE”) 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a qualified professional asset manager), PTCE 95-60 (relating to transactions involving insurance company general accounts), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by in-house asset managers). There are no assurances that any of these exemptions or any other exemption will be available with respect to any particular transaction involving any Notes.

Governmental plans (as defined in section 3(32) of ERISA), certain church plans (as defined in section 3(33) of ERISA) and non-U.S. plans (as described in section 4(b)(4) of ERISA), while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of section 406 of ERISA and section 4975 of the Code, may nevertheless be subject to Similar Law. Fiduciaries of any such plans should consult with their counsel before purchasing the Notes to determine the need for, if necessary, and the availability of, any exemptive relief under any Similar Law.

The U.S. Department of Labor has promulgated a regulation, 29 C.F.R. section 2510.3-101, as modified by section 3(42) of ERISA (the “Plan Asset Regulation”) describing what constitutes the assets of a Plan for purposes of ERISA and section 4975 of the Code. Under the Plan Asset Regulation, if a Plan invests in an equity interest of an entity, the Plan’s assets include both the equity interest and an undivided interest in each of the entity’s underlying assets, unless the Issuer qualifies

as an “operating company” or another exception described in the Plan Asset Regulation applies. An “operating company” is a company that is primarily engaged in the production or sale of a product or service (other than the investment of capital) directly or through one or more majority-owned subsidiaries. Further, a security which is in the form of debt may be considered an equity interest under the Plan Asset Regulation if it has substantial equity features. If any of the Notes have substantial equity features and the Issuer was deemed under the Plan Asset Regulation to hold plan assets by reason of a Plan’s investment in such Notes, the Issuer and an undivided interest in its underlying assets would be subject to the fiduciary standards of ERISA and the prohibited transaction rules of ERISA and section 4975 of the Code. While there is little pertinent authority in this area and no assurance can be given, the Issuer believes that the Notes should not be treated as equity interests for the purposes of the Plan Asset Regulation and the Issuer currently qualifies as an operating company.

Each of the Issuer, the Dealers or any other party to the transactions contemplated by this Base Prospectus as completed by any Final Terms has its own interests in the offering and sale of Notes and related transactions, which differ from the interests of any Plan or other plan subject to Similar Law considering the acquisition or holding of Notes, and such interests generally are disclosed in this Base Prospectus, any applicable Final Terms and related documents. Any person that, for any direct or indirect compensation, provides investment advice within the meaning of ERISA in connection with the acquisition, holding or disposition of a Note by any Plan might be treated as a fiduciary to the Plan. Each of the Issuer, the Dealers or other transaction parties, as well as their respective directors, officers, employees or agents are not authorized to, have not provided and do not undertake to provide any investment advice or advice in any fiduciary capacity to any Plan or any fiduciary, representative or agent thereof.

Each fiduciary who is responsible for making the investment decisions whether to purchase or commit to purchase and to hold any of the Notes with assets of any Plan or any governmental, church or non-U.S. plan should consult with its counsel to confirm that such investment will not result in a non-exempt prohibited transaction and will satisfy the other applicable requirements of ERISA, the Code or Similar Law.

Each purchaser and subsequent transferee of any Note or any interest therein will be deemed by such purchase or acquisition of any such Note or any interest therein to have represented and warranted, on each day from the date on which the purchaser or transferee acquires such Note or any interest therein to and including the date on which the purchaser or transferee disposes of such Note or any interest therein, either that (a) it is not a Plan or an entity whose underlying assets include the assets of any such Plan for purposes of ERISA or Section 4975 of the Code (each of the foregoing, a “Benefit Plan Investor”), or a governmental, church or non-U.S. plan subject to Similar Law, or (b)(i) its acquisition, holding and disposition of such Note or any interest therein will not constitute or result in a non-exempt prohibited transaction under section 406 of ERISA or section 4975 of the Code, or a violation of any Similar Law, and (ii) if it is a Benefit Plan Investor, none of the Issuer, the Dealers or other transaction parties, or other persons that provide marketing services, nor any of their affiliates, has provided, and none of them will provide, investment advice or any advice in a fiduciary capacity within the meaning of ERISA in connection with the purchaser or transferee's acquisition, holding or disposition of the Notes or any interest therein, and none of such persons has received any compensation (direct or indirect) for such advice (as distinct from other services).

The sale of any Notes to a Plan is in no respect a representation by the Issuer, the Trustee, the Dealers or any other party to the transactions that such an investment is appropriate and meets all relevant legal requirements for investment by Plans generally or any particular Plan, or any governmental, church or non-U.S. plan.

18. Subscription and Sale and Transfer and Selling Restrictions

Notes may be sold from time to time by the Issuer to any one or more of the Dealers 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 March 22, 2023 and made between the Issuer, the Arranger and the Dealers named therein (as amended and restated or supplemented from time to time, the "Dealer Agreement"). Any such arrangements 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.

A Dealer may sell Notes it has purchased from the Issuer as principal to certain other dealers less a concession equal to all or any portion of the discount received in connection with such purchase. The Dealer may allow, and such dealers may re-allow, a discount to certain other dealers. After the initial offering of Notes, the offering price (in the case of Notes to be resold at a fixed offering price), the concession and the reallowance may be changed. The Notes may also be sold at variable prices.

The Issuer may withdraw, cancel or modify the offering contemplated hereby without notice and may reject offers to purchase Notes in whole or in part.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilisation manager(s) (or persons acting on behalf of any stabilisation manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate disclosure of the final terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant stabilisation manager(s) (or persons acting on behalf of any stabilisation manager(s)) in accordance with applicable laws and rules.

These transactions may consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of the Notes. If the Dealer creates or the Dealers create, as the case may be, a short position in the Notes, that is, if it sells or they sell Notes in an aggregate principal amount exceeding that set forth in the applicable Final Terms, such Dealer(s) may reduce that short position by purchasing Notes in the open market. In general, purchase of Notes for the purpose of stabilisation or to reduce a short position could cause the price of the Notes to be higher than it might be in the absence of such purchases.

Neither the Issuer nor any of the Dealers makes any representation or prediction as to the direction or magnitude of any effect that the transactions described in the immediately preceding paragraph may have on the price of Notes. In addition, neither the Issuer nor any of the Dealers makes any representation that the Dealers will engage in any such transactions or that such transactions, once commenced, will not be discontinued without notice.

Under the Dealer Agreement, the Issuer has agreed to indemnify the Dealers against certain liabilities (including liabilities under the Securities Act) they may incur or to contribute to payments the Dealers may be required to make in respect thereof in connection with the issue of Notes under the Programme. The Issuer has also agreed to reimburse the Dealers for certain other expenses in

connection with the establishment and any future updates of the Programme and the issue of Notes under the Programme.

No Notes will have an established trading market when issued. From time to time, each of the Dealers may make a market in the Notes, but no Dealer is obligated to do so and may discontinue any market-making activity at any time, and there can be no assurance that there will be a secondary market for the Notes or liquidity in the secondary market if one develops. The offering of the Notes by the Dealers is subject to receipt and acceptance and subject to the Dealers' right to reject any order in whole or in part.

It is expected that delivery of Notes will be made against payment therefore on the relevant Issue Date, which may be more than two business days following the date of pricing. Under Rule 15c6-1 of the Exchange Act, trades in the U.S. secondary market generally are required to settle within two business days ("T+2"), unless the parties to any such trade expressly agree otherwise. Accordingly, if an Issue Date is more than two business days following the relevant date of pricing, purchasers who wish to trade Notes in the United States between the date of pricing and the date that is two business days prior to the relevant Issue Date will be required, by virtue of the fact that such Notes initially will settle beyond T+2, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. If an Issue Date is more than two business days following the relevant date of pricing, purchasers of Notes who wish to trade Notes between the date of pricing and the date that is two business days prior to the relevant Issue Date should consult their own adviser.

The Dealers and their respective affiliates are full service financial institutions engaged in various activities, which may include, among others, securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The Dealers and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Issuer. The Dealers have not provided any legal, accounting, regulatory or tax advice with respect to any offering contemplated hereby and the Issuer has consulted its own legal, accounting, regulatory and tax advisers to the extent it deemed appropriate. Certain of the Dealers and their respective affiliates have, directly or indirectly, performed investment and commercial banking or financial advisory services for the Issuer and/or its affiliates for which they have received customary fees and commissions, and they may provide these services to the Issuer and/or its affiliates in the future, for which they also expect to receive customary fees and commissions. In the ordinary course of their various business activities, the Dealers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the Issuer. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially Notes offered under the Programme. Any such short positions could adversely affect future trading prices of the Notes offered under the Programme. The Dealers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

18.1 **Transfer Restrictions**

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Registered Notes or person wishing to transfer an interest from one Registered Note to another or from global to definitive form or vice versa, will be required to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (i) that either: (a) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware, and each beneficial owner of such Notes has been advised, that any sale to it is being made in reliance on Rule 144A; or (b) it is outside the United States and is not a U.S. person;
- (ii) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any applicable U.S. state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;
- (iii) that, unless it holds an interest in an Unrestricted Registered Global Note and either is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, only (a) to the Issuer or any affiliate thereof, (b) inside the United States to a person whom the seller and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (c) outside the United States in compliance with Rule 903 or Rule 904 of Regulation S under the Securities Act, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. state securities laws;
- (iv) that either (A) it is not and for so long as it holds a Note (or any interest therein) will not be (i) an "employee benefit plan" as defined in section 3(3) of ERISA that is subject to Title I of ERISA, (ii) a "plan" as defined in and subject to section 4975 of the Code, (iii) an entity whose underlying assets are deemed for purposes of ERISA or section 4975 of the Code to include the assets of any such employee benefit or other plan described in clause (i) or (ii) above, or (iv) a governmental, church or non-U.S. plan which is subject to any federal, state or local law of the United States or non-U.S. law that is substantially similar to section 406 of ERISA or section 4975 of the Code, or (B) its acquisition, holding and disposition of a Note (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under section 406 of ERISA or section 4975 of the Code, or a violation of any federal, state or local law of the United States or non-U.S. law that is substantially similar to section 406 of ERISA or section 4975 of the Code;
- (v) that it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (iii) above, if then applicable;
- (vi) that Notes initially offered in the United States to QIBs will be represented by one or more Restricted Registered Global Notes and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Unrestricted Registered Global Notes;
- (vii) that the Restricted Registered Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS NOTE CANNOT BE EXCHANGED FOR A BEARER NOTE.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE (THE "AGENCY AGREEMENT") OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).

BY ITS ACQUISITION AND HOLDING OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE (OR ANY INTEREST THEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT EITHER (A) IT IS NOT AND FOR SO LONG AS IT HOLDS THE SECURITIES REPRESENTED BY THIS CERTIFICATE (OR ANY INTEREST THEREIN) WILL NOT BE (I) AN EMPLOYEE BENEFIT PLAN AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF

1974, AS AMENDED ("ERISA"), THAT IS SUBJECT TO TITLE I OF ERISA, (II) A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), (III) AN ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED FOR PURPOSES OF ERISA OR SECTION 4975 OF THE CODE TO INCLUDE THE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN SUBJECT TO ERISA OR PLAN SUBJECT TO SECTION 4975 OF THE CODE, OR (IV) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE OR LOCAL LAW OF THE UNITED STATES OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW"), OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE (OR ANY INTEREST THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF ANY SIMILAR LAW.

[FOR PURPOSES OF APPLYING THE ORIGINAL ISSUE DISCOUNT RULES UNDER THE INTERNAL REVENUE CODE OF 1986 (1) THE ISSUE DATE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS [], []; (2) THE YIELD TO MATURITY IS [] (COMPOUNDED SEMI-ANNUALLY); (3) THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE BEING ISSUED WITH ORIGINAL ISSUE DISCOUNT IN THE AMOUNT OF [] PER [] PRINCIPAL AMOUNT; (4) THE [] METHOD SPECIFIED IN THE PROPOSED TREASURY REGULATIONS HAS BEEN USED TO DETERMINE YIELD; AND THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ALLOCABLE TO THE SHORT INITIAL ACCRUAL PERIOD BEGINNING [] AND ENDING []; [AND] (5) THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ALLOCABLE TO SUCH ACCRUAL PERIOD IS U.S.\$[] PER U.S.\$[] PRINCIPAL AMOUNT.]²⁰ [AND (6) THE COMPARABLE YIELD IS []; AND (7) THE PROJECTED PAYMENT SCHEDULE IS [].]²¹"

- (viii) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the completion of the distribution of the Tranche of Notes of which such Notes are a part, as determined and certified by the relevant Dealer, in the case of a non-syndicated issue, or the lead manager, in the case of a syndicated issue), it will do so only (a)(i) outside the United States in compliance with Rule 903 or 904 of Regulation S under the Securities Act or (ii) to a QIB in compliance with Rule 144A and (b) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Unrestricted Registered Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE (THE "AGENCY AGREEMENT") AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. UNTIL THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE SECURITIES OF THE TRANCHE OF WHICH THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE A PART, SALES

²⁰ Include for any Definitive Registered Note issued with "original issue discount" for U.S. federal income tax purposes and issued under Rule 144A.

²¹ Include if the Note is a contingent payment debt instrument.

MAY NOT BE MADE IN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS UNLESS MADE IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE SECURITIES ACT.

BY ITS ACQUISITION AND HOLDING OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE (OR ANY INTEREST THEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT EITHER (A) IT IS NOT AND FOR SO LONG AS IT HOLDS THE SECURITIES REPRESENTED BY THIS CERTIFICATE (OR ANY INTEREST HEREIN) WILL NOT BE (I) AN EMPLOYEE BENEFIT PLAN AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), THAT IS SUBJECT TO TITLE I OF ERISA, (II) A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), (III) AN ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED FOR PURPOSES OF ERISA OR SECTION 4975 OF THE CODE TO INCLUDE THE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN SUBJECT TO ERISA OR PLAN SUBJECT TO SECTION 4975 OF THE CODE, OR (IV) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE OR LOCAL LAW OF THE UNITED STATES OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW"), OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE (OR ANY INTEREST THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF ANY SIMILAR LAW.

[FOR PURPOSES OF APPLYING THE ORIGINAL ISSUE DISCOUNT RULES UNDER THE INTERNAL REVENUE CODE OF 1986 (1) THE ISSUE DATE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS [], []; (2) THE YIELD TO MATURITY IS [] (COMPOUNDED SEMI-ANNUALLY); (3) THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE BEING ISSUED WITH ORIGINAL ISSUE DISCOUNT IN THE AMOUNT OF [] PER [] PRINCIPAL AMOUNT; (4) THE [] METHOD SPECIFIED IN THE PROPOSED TREASURY REGULATIONS HAS BEEN USED TO DETERMINE YIELD; AND THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ALLOCABLE TO THE SHORT INITIAL ACCRUAL PERIOD BEGINNING [] AND ENDING []; [AND] (5) THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ALLOCABLE TO SUCH ACCRUAL PERIOD IS U.S.\$[] PER U.S.\$[] PRINCIPAL AMOUNT.]²² [AND (6) THE COMPARABLE YIELD IS []; AND (7) THE PROJECTED PAYMENT SCHEDULE IS [].]²³; and

- (ix) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is U.S.\$200,000 (or the approximate equivalent in another Specified Currency).

²² Include for any Definitive Registered Note issued with "original issue discount" for U.S. federal income tax purposes and issued under Rule 144A.

²³ Include if the Note is a contingent payment debt instrument.

To the extent that the Issuer is not subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, the Issuer has agreed to furnish to holders of the Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4).

18.2 **United States**

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

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form are subject to United States tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by United States Treasury regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and Treasury regulations promulgated thereunder.

In connection with Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S, 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 such Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of the Notes comprising the relevant Tranche, within the United States or to or for the account or benefit of U.S. 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, other than for resales pursuant to Rule 144A, 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 U.S. persons.

Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes that may be purchased by a QIB pursuant to Rule 144A will be U.S.\$200,000.

In addition, until 40 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).

18.3 **Prohibition of sales to EEA retail investors**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of MiFID II; or

- (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

18.4 The United Kingdom

18.4.1 Prohibition of sales to UK retail investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the EUWA; or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA.

18.4.2 Other regulatory restrictions

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

- (a) *No deposit-taking*: in relation to any Notes having a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) *Financial Promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

18.5 Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of February 24, 1998, as amended (the "Financial Services Act") and Italian Commissione Nazionale per le società e la Borsa ("CONSOB") regulations; or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time and the applicable Italian laws.

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

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

18.6 Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "FIEA"), and each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

18.7 Hong Kong

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

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO")) other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong

(the "C(WUMP)O") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

- (b) it has not issued, or had in its possession for the purposes of issue and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

18.8 **General**

Each Dealer acknowledges that, other than with respect to the admission of the Notes to the Official List and to trading on the Regulated Market of Euronext Dublin, no action has been or will be taken in any jurisdiction by the Issuer or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Base Prospectus comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in 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.

19. Form 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.

PROHIBITION OF SALES TO EUROPEAN ECONOMIC AREA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended) ("MiFID II") or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended) (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MiFID II Product Governance / Professional investors and eligible counterparties only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer[s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[s/s'] target market assessment) and determining appropriate distribution channels.

[UK MIFIR Product Governance / Professional investors and eligible counterparties only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer[s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for

undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

Final Terms dated []

SWEDBANK AB (publ)

Legal Entity Identifier (LEI): M312WZV08Y7LYUC71685

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

under the U.S.\$15,000,000,000
Medium Term Note Programme

PART A - CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated March 22, 2023 (the "Base Prospectus") [as supplemented by the supplement[s] dated [] [and []]] [which [together] constitute[s] a base prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation"). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus [as so supplemented]]²⁴ in order to obtain all the relevant information. The Base Prospectus [and the supplement[s]] [has] [have] been published on the website of the Irish Stock Exchange trading as Euronext Dublin at <https://live.euronext.com>.]

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") set forth in the [Base] Prospectus dated [March 1, 2017/April 6, 2020, as supplemented by the supplement dated May 15, 2020/March 5, 2021/March 7, 2022] which are incorporated by reference in the Base Prospectus dated March 22, 2023 (the "Base Prospectus"). [This document constitutes the Final Terms of the Notes described herein for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and must be read in conjunction with the Base Prospectus [as supplemented by the supplement[s] dated [] [and []]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation] in order to obtain all relevant information. The Base Prospectus [and the supplement[s]] [has] [have] been published on the website of the Irish Stock Exchange trading as Euronext Dublin at <https://live.euronext.com>.]

[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 (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]

[When completing any final terms, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.]²⁵

[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:** []

²⁴ Not relevant where the Notes 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 Regulation.

²⁵ Not relevant where the Notes 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 Regulation.

- (ii) Tranche Number: []
- (iii) Date on which the Notes will be consolidated and form a single Series: [The Notes will be consolidated and form a single Series with [] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 21 below, which is expected to occur on or about []]] [Not Applicable]
3. **Specified Currency or Currencies:** []
4. **Aggregate Nominal Amount:** []
- (i) Series: []
- (ii) Tranche: []
5. **Issue Price:** [] per cent of the Aggregate Nominal Amount [plus accrued interest from []]
6. (i) **Specified Denomination(s):** []
- (N.B. Where multiple denominations above €100,000 or its equivalent in other currencies are being used the following sample wording should be followed: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].")²⁶*
- (ii) **Calculation Amount:** []
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations)*
7. (i) **Issue Date:** []
- (ii) **Interest Commencement Date:** [[]/Issue Date/Not Applicable]
8. **Maturity Date:** [Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
9. **Interest Basis:** [[] per cent Fixed Rate]
- [Reset Notes]

²⁶ Not applicable if Notes are being issued in registered form.

- [EURIBOR/STIBOR/
NIBOR/CIBOR/TIBOR/HIBOR] +/- [] per cent
Floating Rate]
- [SOFR Index +/- [] per cent Floating Rate]
- [Zero Coupon]
10. **Redemption/Payment Basis:** Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent of their nominal amount
11. **Change of Interest Basis:** [*Specify details of any provision for conversion of Notes into another interest basis by cross-referring to paragraphs 14, 15 or 16 below*]/[Not Applicable]
12. **Call Option:** [Issuer Call]/[Not Applicable]
13. **(i) Status of the Notes:** [Senior Preferred – Condition 3(a) will apply/Senior Non-Preferred – Condition 3(b) will apply]
- (a) [Redemption upon occurrence of a MREL Disqualification Event and amounts payable on redemption thereof:] [Applicable – Condition 5(h) will apply/Not Applicable]
(If not applicable, delete the remaining subparagraph of this paragraph)
- [If the Issuer elects to redeem the Notes following the occurrence of a MREL Disqualification Event pursuant to Condition 5(h), the Notes shall be redeemed in the amount of [] per Calculation Amount]
- (b) Redemption for taxation reasons: [Condition 5(b)(A)(i) will apply]
[Condition 5(b)(A)(ii) will apply]
- (c) [Substitution or variation:] [Applicable – Condition 5(j) will apply/Not Applicable]
- (d) Clean-Up Call Option: [Applicable – Condition 5(k) will apply/Not Applicable]
[The Clean-Up Call Minimum Percentage will be [75/specify other] per cent. of the principal amount outstanding of the Notes originally issued.
The Clean-Up Call Option Amount will be in the amount of [] per Calculation Amount]

- (ii) Date Board approval for issuance of Notes obtained: []/[Not Applicable]

(N.B. Only relevant where Board (or similar) authorisation is required for the particular Tranche of Notes)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Note Provisions (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 in arrear on each Interest Payment Date

- (ii) Interest Payment Date(s): [] [and []] in each year, from and including [], up to and including the Maturity Date

(N.B. consider form of language in the case of long or short coupons)

- (iii) Fixed Coupon Amount(s): [] per Calculation Amount

- (iv) Broken Amount(s): [[] per Calculation Amount payable on the Interest Payment Date falling [in/on] []] [Not Applicable]

- (v) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]

- (vi) Determination Dates: [Not Applicable] / [] 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. only relevant where Day Count Fraction is Actual/Actual (ICMA))*

15. **Reset Note Provisions (Condition 4(b))**

[Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Initial Rate of Interest: [] per cent per annum payable in arrear on each Interest Payment Date

- (ii) First Margin: [+/-][] per cent per annum

- (iii) Subsequent Margin: [[+/-][] per cent per annum]/[Not Applicable]

- (iv) Interest Payment Date(s): [] [and []] in each year, from and including [], up to and including the Maturity Date

- (v) First Reset Date: []

- (vi) Second Reset Date: []/[Not Applicable]

- (vii) Subsequent Reset Date(s): [] [and []]/[Not Applicable]
- (viii) Reset Reference Rate: [Reference Bond]/[CMT Rate]
- (ix) Relevant Screen Page: []
- (x) Initial Rate Final Fallback: [Applicable/Not Applicable]
- First Reset Period Fallback Yield: []
- (xi) Last Observable Rate Final Fallback: [Applicable/Not Applicable]
- (xii) Subsequent Reset Rate Previous Rate Final Fallback: [Applicable/Not Applicable]
- (xiii) Subsequent Reset Rate Last Observable Rate Final Fallback: [Applicable/Not Applicable]
- (xiv) Reset Reference Rate Conversion: [Applicable/Not Applicable]
- (xv) Original Reset Reference Rate Payment Basis: [Annual/Semi-annual/Quarterly/Monthly][Not Applicable]
- (xvi) Day Count Fraction: [30/360]
[Actual/Actual (ICMA)]
[Actual/365 (Fixed)]
- (xvii) Determination Dates: [[] in each year]/[Not Applicable]
- (xviii) Business Centre(s): []
- (xix) Relevant (Reset) Time: [[]/As per Condition 4(b)/Not Applicable]
- (xx) Calculation Agent: []
16. **Floating Rate Note Provisions: Condition 4(c)** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Specified Period(s)/Specified Interest Payment Dates: [], subject to adjustment in accordance with the Business Day Convention set out in (ii) below/, not subject to adjustment, as the Business Day Convention in (ii) below is specified to be Not Applicable]
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
[Not Applicable]

- (iii) Business Centre(s): []
- (iv) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (v) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Principal Paying Agent): [[] shall be the Calculation Agent] [Not Applicable]
- (vi) Screen Rate Determination:
- Reference Rate, Relevant Time and Relevant Financial Centre: Reference Rate: [[] month] [EURIBOR/STIBOR/NIBOR/CIBOR/TIBOR/HIBOR] [SOFR Index]
- Relevant Time: [[] in the Relevant Financial Centre]/As per Condition 4(c)(ii)]
- [Relevant Financial Centre: [Brussels/Stockholm/Oslo/Copenhagen/Tokyo/Hong Kong]](~~delete for SOFR Index Floating Rate Notes~~)
- Interest Determination Date(s): [First day of each Interest Period]
- [Second day on which the TARGET2 System is open prior to the start of each Interest Period]
- [Second Stockholm business day prior to the start of each Interest Period]
- [Second Oslo business day prior to the start of each Interest Period]
- [First day of each Interest Period]
- [Second Tokyo business day prior to the start of each Interest Period]
- [First day of each Interest Period]]
- [[] days prior to the start of each Interest Period]
- (Second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR)*
- [As per Condition 4(c)(ii)(B)] (*SOFR Index Floating Rate Notes only*)
- Relevant Screen Page: []

(In the case of EURIBOR, if not Reuters Screen EURIBOR01 ensure it is a page which shows a composite rate or amend fallback provisions appropriately)

[Not Applicable] (*SOFR Index Floating Rate Notes only*)

p: [As per Conditions][Not Applicable] (SOFR Index Floating Rate Notes only)

(vii) ISDA Determination: [Applicable/Not Applicable]

ISDA Definitions: [2006 ISDA Definitions]/[2021 ISDA Definitions]

Floating Rate Option: []

Designated Maturity: [[]/Not Applicable]

Reset Date: []

(In the case of a EURIBOR based option, the first day of the Interest Period)

(N.B. The fallback provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for EURIBOR which, depending on market circumstances, may not be available at the relevant time)

(viii) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Accrual Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)

(ix) Margin(s): [+/-] [] per cent per annum

(x) Minimum Rate of Interest: [] per cent per annum

(xi) Maximum Rate of Interest: [] per cent per annum

(xii) Day Count Fraction: [Actual/Actual (ISDA)] [Actual/Actual]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360] [360/360] [Bond Basis]
[30E/360] [Eurobond Basis]
[30E/360 (ISDA)]

(xiii) Benchmark Discontinuation – Independent Adviser: [Applicable/Not Applicable]

- (xiv) Benchmark Discontinuation – ARRC SOFR: [Applicable/Not Applicable]
17. **Zero Coupon Note Provisions:** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Accrual Yield: [] per cent per annum
- (ii) Reference Price: []
- (iii) Day Count Fraction in relation to Early Redemption Amounts: [30/360]
[Actual/360]
[Actual/365]

PROVISIONS RELATING TO REDEMPTION

18. **Issuer Call:** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s): [] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: []
- (b) Maximum Redemption Amount: []
- (iv) Notice period (if other than as set out in the Conditions): []
- (N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require five clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee)*
19. **Final Redemption Amount:** Each Note will be redeemed at its principal amount
20. **Early Redemption Amount:**

Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default: per Calculation Amount/Condition 5(d) applies]

(N.B. If the Final Redemption Amount is 100 per cent of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21. Form of Notes:

(i) Form:

[Registered Notes:

The Notes will be represented on issue by one or more [Restricted Registered Global Notes registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]] [and by one or more] [Unrestricted Registered Global Notes registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]]]

[Bearer Notes:

[Temporary Global Note exchangeable for a Permanent Global Note on and after the Exchange Date which is exchangeable for definitive Notes [upon 45 days' written notice (expiring after the Exchange Date)] [only upon the occurrence of an Exchange Event].]²⁷

[Temporary Global Note exchangeable for definitive Notes on and after the Exchange Date.]²⁸

(ii) New Global Notes / held under New Safekeeping Structure:

[Yes]/[No]

22. Financial Centre(s):

[]/[Not Applicable]

(Note that this paragraph relates to the date of payment, and not the end dates of Interest Periods

²⁷ 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].

²⁸ 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]

for the purposes of calculating the amount of interest, to which sub-paragraph 16(iii) relates)

23. **Talons for future Coupons to be attached to definitive Notes:** [Yes]/[No]

24. **THIRD PARTY INFORMATION**

[[] has been extracted from []. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]/[Not Applicable]

Signed on behalf of the Issuer:

By:
Duly authorised

PART B - OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

- (i) Listing: [Official List of Euronext Dublin/Not Applicable]
- (ii) Date on which admission to trading to be effective: [Application has been made for the Notes to be admitted to trading on [the Regulated Market of Euronext Dublin]/[] with effect from, or from around, []]
- (iii) Estimate of total expenses related to admission to trading: []

2. **BENCHMARKS REGULATION (Floating Rate Notes and Reset Notes calculated by reference to a benchmark only)**

[Amounts payable under the Notes will be calculated by reference to [EURIBOR/STIBOR/NIBOR/CIBOR/TIBOR/HIBOR/[in the case of Reset Notes, insert name of relevant benchmark]] which is provided by [legal name of the benchmark administrator]. As at the date of this Final Terms, [legal name of the benchmark administrator] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011.

[As far as the Issuer is aware, [EURIBOR/STIBOR/NIBOR/CIBOR/TIBOR/HIBOR/[in the case of Reset Notes, insert name of relevant benchmark]] [does not fall within the scope of Regulation (EU) 2016/1011 by virtue of Article 2 of that regulation/the transitional provisions in Article 51 of Regulation (EU) 2016/1011 apply] such that [legal name of the benchmark administrator] is not currently required to obtain authorisation or registration (or, if located outside the EU, recognition, endorsement or equivalence).]

3. **RATINGS**

Ratings: [Not Applicable]/[The Notes to be issued [have been]/[are expected to be] assigned the following ratings:

[] by S&P Global Ratings Europe Limited

[] by Moody's Investors Service (Nordics) AB

[] by Fitch Ratings Ireland Limited]

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

[[Insert the legal name of the relevant credit rating agency entity] is established in the [European Union] and is registered under Regulation (EC) No. 1060/2009 (as amended).]

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

[Save for any fees payable to the [managers/dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [managers/dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

5. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

(i) Reason for the offer: [Green Bonds][Social Bonds][Sustainability Bonds][General Business Purposes][]

(See "Use and Estimated Net Amounts of Proceeds" wording in the Base Prospectus – if reasons for the offer are different from General Business Purposes, Green Bonds, Social Bonds or Sustainability Bonds, will need to include those reasons here.)

(ii) Estimated net proceeds: []

6. [Fixed Rate Notes AND RESET NOTES only – YIELD

Indication of yield: []

7. OPERATIONAL INFORMATION

(i) CUSIP Number: []

(ii) ISIN: []

(iii) Common Code: []

(iv) Any clearing system(s) other than DTC, Euroclear and Clearstream, Luxembourg (together with the [Not Applicable/[give name(s) and number(s)]]

address of such clearing system) and the relevant identification number(s):

- (v) Delivery: Delivery [against/free of] payment
[Not Applicable/[]]
- (vi) Names and addresses of additional Transfer Agents and/or Paying Agent(s) (if any):
- (vii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, that is, held under the NSS,] *[include this text for Registered Notes which are to be held under the NSS]* and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/
- [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, that is, held under the NSS *[include this text for Registered Notes which are to be held under the NSS]*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

8. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/*give names*]
- (iii) Date of Subscription Agreement: []
- (iv) Stabilisation Manager(s) (if any): [Not Applicable/*give name(s)*]

- (v) If non-syndicated, name of Dealer: [Not Applicable/*give name*]
- (vi) Rule 144A Eligible: [Yes/No]
- (vii) Whether TEFRA D rules applicable
or TEFRA rules not applicable:
[TEFRA D/TEFRA not applicable]

20. Definitions

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

Common equity Tier 1 capital ratio (CET 1 capital ratio): Common Equity Tier 1 capital in relation to the total risk exposure amount.

Cost/income ratio: Total expenses in relation to total income.

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

Credit impairment ratio: Credit impairment, in relation to the opening balance of loans to credit institutions and loans to the public after provisions.

Earnings per share after dilution: Profit for the financial year allocated to shareholders in relation to the weighted average number of shares outstanding during the financial year, adjusted for the dilution effect of potential shares.

Earnings per share before dilution: Profit for the financial year allocated to shareholders in relation to the weighted average number of shares outstanding during the financial year.

Equity per share: Shareholders' equity in relation to the number of shares outstanding.

Interest fixing period: Contracted period during which interest on an asset or liability is fixed.

Investment margin: Calculated as Net interest income in relation to average total assets. The average is calculated using month-end figures, including the prior year end.

Number of employees: The number of employees at year-end, excluding long-term absences, in relation to the number of hours worked expressed in terms of full-time positions.

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

Return on equity: Profit for the financial year allocated to shareholders in relation to average equity attributable to shareholders' of the parent company. The average is calculated using month-end figures, including the prior year end.

Return on total assets: Profit for the year in relation to average total assets. The average is calculated using month-end figures, including the prior year end.

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

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

Tier 1 capital ratio: Tier 1 capital in relation to the total risk exposure amount.

Tier 2 capital: Capital instruments and subordinated loans and related share premium accounts that fulfill certain regulatory conditions .

Total capital ratio: Own funds in relation to the total risk exposure amount.

Yield: Dividend per share in relation to the share price at year-end.

21. General Information

- 21.1 Application has been made to Euronext Dublin for the Notes issued under the Programme to be admitted to the Official List and to trading on the Regulated Market of Euronext Dublin. The Regulated Market of Euronext Dublin is a regulated market for the purposes of MiFID II.

It is expected that each Tranche which is to be admitted to the Official List and to trading on the Regulated Market of Euronext Dublin will be admitted separately as and when issued, subject only to the issue of a Registered Global Note initially representing the Notes of such Tranche or, as the case may be, the relevant Temporary Global Note.

Any Series of Notes intended to be admitted to the Official List and admitted to trading on the Regulated Market of Euronext Dublin will be so admitted upon submission to the Central Bank and Euronext Dublin of the applicable Final Terms and any other information required by the Central Bank and Euronext Dublin, subject in each case to the issue of the relevant Notes.

The update of the Programme was duly authorised by the Issuer on March 6, 2023. Notes issued under the Programme will be authorised by the Issuer at the time of issuance.

Except as disclosed herein in the sections headed “Risk Factors – Risks Relating to Internal Control and Compliance – The Group is exposed to money laundering, terrorist financing and financial sanctions risks, and has been and is still subject to investigations by certain authorities into allegations that the Group may have processed money laundering transactions and may have violated OFAC sanctions” and “Swedbank—Legal Proceedings”, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Issuer or the Group.

- 21.2 Since December 31, 2022, there has been no material adverse change in the prospects of the Issuer and there has been no significant change in the financial performance of the Group or the financial position of the Group.
- 21.3 PricewaterhouseCoopers AB (Authorised Public Accounts) of Torsgatan 21, 113 97 Stockholm, Sweden, have audited the financial statements of the Issuer for the financial years ended December 31, 2022, December 31, 2021 and December 31, 2020.

PricewaterhouseCoopers AB (Authorised Public Accounts) is a member of FAR, the professional institute for authorised public accountants (Sw: *auktoriserade revisorer*), approved public accountants (Sw: *godkända revisorer*) and other highly qualified professionals in the accountancy sector in Sweden.

- 21.4 The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The common code and International Securities Identification Number in relation to the Notes of each Tranche allocated by Euroclear and/or Clearstream, Luxembourg will be specified in the applicable Final Terms. In addition, the Issuer may make an application for Registered Notes to be accepted for trading in book-entry form by DTC. If so, the CUSIP number for each Tranche of Registered Notes, together with the relevant common code and International Securities Identification Number, will be specified in the applicable Final Terms. Euroclear, Clearstream, Luxembourg and DTC are the entities in charge of keeping book-entry records. 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, 1 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 DTC is 55 Water Street, New York, NY 10041-0099, USA.

21.5 For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from <https://swedbank.com/investor-relations/debt-investors.html>:

- (i) Articles of Association of the Issuer;
- (ii) the Trust Deed; and
- (iii) this Base Prospectus, any supplement to this Base Prospectus, any documents incorporated by reference and, save as provided below, any Final Terms issued in respect of any Notes issued under the Programme.

The Articles of Association of the Issuer referred to in paragraph (i) above are translated from the Swedish original. The Issuer confirms that such translation is a direct and accurate translation from the Swedish original.

21.6 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.

21.7 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.

21.8 In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

21.9 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.

21.10 The following Alternative Performance Measures (as such term is defined in the ESMA Guidelines on Alternative Performance Measures) are included in this Base Prospectus:

NSFR, Cost/income ratio, Credit impairment ratio, Equity per Share, Total credit impairment provision ratio, Return on equity and Return on total assets (each as defined on pages 254 and 255 of the Group's "*Annual and Sustainability Report 2022*").

21.11 Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Programme and is not itself seeking admission of Notes issued under the Programme to the Official List or to trading on the Regulated Market of Euronext Dublin for the purposes of the Prospectus Regulation.

21.12 The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

REGISTERED OFFICE OF THE ISSUER

SE-105 34 Stockholm
Sweden

HEAD OFFICE OF THE ISSUER

Landsvägen 40
SE-172 63 Sundbyberg
Sweden

TRUSTEE

BNY Mellon Corporate Trustee Services Limited

160 Queen Victoria Street
London EC4V 4LA
United Kingdom

PRINCIPAL PAYING AGENT

Citibank, N.A., London Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

REGISTRAR

Citigroup Global Markets Europe AG

Reuterweg 16
603 23 Frankfurt am Main
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