

IMPORTANT NOTICE

IMPORTANT: You must read the following before continuing. The following applies to the Offering Circular following this page (the "Offering Circular"), and you are therefore required to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

THE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED OTHER THAN AS PROVIDED BELOW AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THE OFFERING CIRCULAR MAY ONLY BE DISTRIBUTED OUTSIDE THE UNITED STATES TO PERSONS THAT ARE NOT U.S. PERSONS AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION. THE SECURITIES DESCRIBED IN THE OFFERING CIRCULAR HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS.

Confirmation of your Representation: In order to be eligible to view the Offering Circular or make an investment decision with respect to the securities described in the Offering Circular, you must be a person other than a U.S. person (within the meaning of Regulation S under the Securities Act) who is outside the United States.

By accepting the email and accessing the Offering Circular, you shall be deemed to have represented to each of Barclays Bank Ireland PLC, BofA Securities Europe SA, Citigroup Global Markets Europe AG, J.P. Morgan SE, Swedbank AB (publ) (in its capacity as a joint lead manager) and UBS Europe SE (together, the "Joint Lead Managers") that you are not, and that any customer represented by you is not, a U.S. person; the electronic mail address that you have given to us and to which this email has been delivered is not located in the U.S., its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia; and that you consent to delivery of the Offering Circular by electronic transmission.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Offering Circular to any other person.

Any materials relating to the potential offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the potential offering be made by a licensed broker or dealer and any Joint Lead Manager or any affiliate of any Joint Lead Manager is a licensed broker or dealer in that jurisdiction, any offering shall be deemed to be made by the relevant Joint Lead Manager or such affiliate on behalf of Swedbank AB (publ) (the "Issuer") in such jurisdiction.

Under no circumstances shall the Offering Circular constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction. Recipients of the Offering Circular who intend to subscribe for or purchase the securities are reminded that any subscription or purchase may only be made on the basis of the information contained in the final Offering Circular. The Offering Circular may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer.

The Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Joint Lead Managers, any person who controls any of them, or any of their respective directors, officers, employees, agents or affiliates accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from any of the Joint Lead Managers.

Restrictions on marketing and sales to retail investors

The securities described in the Offering Circular are complex financial instruments. They are not a suitable or appropriate investment for all investors, especially retail investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the securities described in the Offering Circular. Potential investors in the securities described in the Offering Circular should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the securities described in the Offering Circular (or any beneficial interests therein).

In the United Kingdom, the Financial Conduct Authority ("FCA") Conduct of Business Sourcebook ("COBS") requires, in summary, that the securities described in the Offering Circular should not be offered or sold to retail clients (as defined in COBS 3.4 and each a "retail client") in the United Kingdom.

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

Potential investors should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the securities described in the Offering Circular (or any beneficial interests therein), including the COBS and the HKMA Circular.

Investors in Hong Kong should not purchase the securities described in the Offering Circular in the primary or secondary markets unless they are Professional Investors and understand the risks involved. The securities described in the Offering Circular are generally not suitable for, and are not intended to be offered, sold, distributed or otherwise made available to, retail investors.

The Issuer and the Joint Lead Managers are each required to comply with some or all of the COBS and/or the HKMA Circular. By purchasing, or making or accepting an offer to purchase, any securities described in the Offering Circular (or a beneficial interest in such securities) from the Issuer and/or the Joint Lead Managers, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each Joint Lead Manager that:

- (i) it is not a retail client in the United Kingdom;
- (ii) if it is in Hong Kong, it is a Professional Investor;
- (iii) whether or not it is subject to the COBS or the HKMA Circular, it will not:
 - (a) sell or offer the securities described in the Offering Circular (or any beneficial interest therein) to retail clients in the United Kingdom or to a retail investor in Hong Kong; or
 - (b) communicate (including the distribution of the Offering Circular) or approve an invitation or inducement to participate in, acquire or underwrite the securities described in the Offering Circular (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the United Kingdom or any customer in Hong Kong who is not a Professional Investor,

and in selling or offering the securities described in the Offering Circular (or any beneficial interests therein) or making or approving communications relating to the securities described in the Offering Circular (or any beneficial interests therein), it may not rely on the limited exemptions set out in the COBS.

The obligations above are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the European Economic Area, the United Kingdom or Hong Kong) relating to the promotion, offering, distribution and/or sale of the securities described in the Offering Circular (or any beneficial interests therein), whether or not specifically mentioned in the Offering Circular, including (without limitation) any requirements under Directive (EU) 2014/65 (as amended), the United Kingdom FCA Handbook, the HKMA Circular and any other applicable laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the securities described in the Offering Circular (or any beneficial interests therein) for investors in any relevant jurisdiction.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, the securities described in the Offering Circular (or any beneficial interests therein) from the Issuer and/or the Joint Lead Managers, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.



Swedbank AB (publ)

(Incorporated with limited liability in the Kingdom of Sweden)

U.S.\$650,000,000 Fixed Rate Reset Additional Tier 1 Convertible Notes

The U.S.\$650,000,000 Fixed Rate Reset Additional Tier 1 Convertible Notes (the "Notes") will be issued by Swedbank AB (publ) (the "Issuer"). Subject as provided in "Terms and Conditions of the Notes", the Notes will constitute direct, unsecured, unguaranteed and subordinated debt obligations of the Issuer, as described in Condition 2 (*Status*) in "Terms and Conditions of the Notes".

The Notes will bear interest, payable semi-annually in arrear on 17 March and 17 September in each year (each, an "Interest Payment Date"), from (and including) 13 February 2024 (the "Issue Date") to (but excluding) 17 September 2030 (the "First Reset Date") at the rate of 7.750 per cent. per annum. There will be a long first Interest Period. The first payment of interest will be made on 17 September 2024 in respect of the period from (and including) the Issue Date to (but excluding) such Interest Payment Date. The rate of interest will reset on the First Reset Date and on each Reset Date (as defined in Condition 19 (*Interpretation*) in "Terms and Conditions of the Notes"). See Condition 3 (*Interest*) in "Terms and Conditions of the Notes".

Interest on the Notes is due and payable only at the sole and absolute discretion of the Issuer, and the Issuer shall have sole and absolute discretion at all times to cancel (in whole or in part) any interest payment that would otherwise be due and payable on any Interest Payment Date or other date. Interest may also be deemed to have been so cancelled in certain circumstances and the Issuer will also be obliged to cancel interest in certain circumstances. See Condition 4 (*Interest Cancellation*) in "Terms and Conditions of the Notes".

The Notes are perpetual securities and have no fixed date for redemption and holders of the Notes ("Noteholders") do not have the right to call for their redemption. Subject as provided herein, the Issuer may, at its option, redeem the Notes, in whole but not in part, (i) at any time in the six months prior to and including the First Reset Date or (ii) on any Interest Payment Date thereafter at their principal amount, together with accrued but unpaid interest (which excludes any interest cancelled or deemed cancelled). Subject as provided herein, the Issuer may also, at its option, redeem the Notes, in whole but not in part, at any time at their principal amount, together with accrued but unpaid interest (which excludes any interest cancelled or deemed cancelled) upon the occurrence of a Tax Event or Capital Event (each as defined in Condition 19 (*Interpretation*) in "Terms and Conditions of the Notes"). Any such redemption is subject to certain conditions. See Condition 6 (*Redemption and Purchase*) in "Terms and Conditions of the Notes". If at any time a Capital Event or a Tax Event occurs or in order to ensure the effectiveness and enforceability of Condition 18(f) (*Acknowledgement of Swedish Statutory Loss Absorption Powers*), the Issuer may either substitute all (but not some only) of the Notes or vary the terms of the Notes accordingly, without any requirement for the consent or approval of the Noteholders, so that or provided that (as the case may be) they remain or become Qualifying Additional Tier 1 Securities (as defined in Condition 19 (*Interpretation*) in "Terms and Conditions of the Notes"). See Condition 15 (*Substitution or Variation instead of Redemption*).

If the CET1 Ratio (as defined in Condition 19 (*Interpretation*) in "Terms and Conditions of the Notes") of either the Issuer or the Group (as defined in Condition 19 (*Interpretation*) in "Terms and Conditions of the Notes") falls below 5.125 per cent. or 8.00 per cent. respectively (a "Trigger Event"), the Notes will be automatically converted into Conversion Shares at the Conversion Price (each as defined in Condition 19 (*Interpretation*) in "Terms and Conditions of the Notes"). See Condition 5 (*Loss Absorption Mechanism*) in "Terms and Conditions of the Notes".

This Offering Circular does not comprise a prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation").

Application has been made to the Irish Stock Exchange plc, trading as Euronext Dublin ("Euronext Dublin") for the Notes to be admitted to the official list (the "Official List") and trading on the Global Exchange Market of Euronext Dublin (the "GEM"). The GEM is not a regulated market for the purposes of Directive (EU) 2014/65 (as amended) ("MiFID II"). This Offering Circular constitutes listing particulars for the purpose of such application and has been approved by Euronext Dublin.

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 and Jurisdiction, Acknowledgment of Swedish Statutory Loss Absorption Powers".

The Notes are not intended to be sold and should not be sold to retail clients, as defined in MiFID II in the European Economic Area ("EEA") or to retail clients (as defined in Regulation (EU) No. 600/2014 as it forms part of domestic law in the United Kingdom ("UK") by virtue of the European Union (Withdrawal) Act 2018 ("EUWA") ("UK MiFIR")) in the UK. Prospective investors are referred to the section headed "Restrictions on marketing and sales to retail investors" on page 3 of this Offering Circular for further information.

Investors in Hong Kong should not purchase the Notes in the primary or secondary markets unless they are professional investors (as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and its subsidiary legislation, "Professional Investors") only and understand the risks involved. The Notes are generally not suitable for, and are not intended to be offered, sold, distributed or otherwise made available to, retail investors.

The Notes and any Conversion Shares to be delivered following the occurrence of a Trigger Event have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and the Notes are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. The Notes are being offered and sold outside the United States to persons other than U.S. persons in reliance on Regulation S ("Regulation S") under the Securities Act. For a description of certain restrictions on offers, sales and deliveries of the Notes and on the distribution of this Offering Circular and other offering material relating to the Notes, see "Subscription and Sale".

The Notes are expected to be rated BBB- by S&P Global Ratings Europe Limited ("S&P"), BBB+ by Fitch Ratings Ireland Limited ("Fitch") and Ba1 by Moody's Investors Service (Nordics) AB ("Moody's"). Each of S&P, Fitch and Moody's is established in the European Union (the "EU") and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation") and is included in the list of credit rating agencies registered in accordance with the CRA Regulation as of the date of this Offering Circular. This list is available on the European Securities and Markets Authority's website at www.esma.europa.eu/page/List-registered-and-certified-CRAs. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The Notes will initially be in the form of a temporary global note (the "Temporary Global Note"), without interest coupons ("Coupons"), which will be deposited on or around the Issue Date with a common depository for Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg"). Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the "Permanent Global Note" and, together with the Temporary Global Note, the "Global Notes"), without Coupons, on or after 24 March 2024 (the "Exchange Date"), upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for Notes in definitive form ("Definitive Notes") only in certain limited circumstances in accordance with the terms of the Permanent Global Note. Definitive

Notes will have attached Coupons and, if necessary, talons ("Talons") for further Coupons - see "Summary of Provisions Relating to the Notes while in Global Form".

The Notes are complex and high risk. There are significant risks inherent in the holding of the Notes, including the risks in relation to their subordination, the circumstances in which the Notes may be written down or converted to ordinary shares and the implications on Noteholders (such as a substantial loss), the circumstances in which Noteholders may suffer loss as a result of holding the Notes are difficult to predict and the quantum of any loss incurred by investors in the Notes in such circumstances is also highly uncertain. Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. For a discussion of these risks see "Risk Factors" below.

Sole Structuring Adviser

Citigroup

Joint Lead Managers

**Barclays
Citigroup
J.P. Morgan**

**BofA Securities
Swedbank
UBS Investment Bank**

The date of this Offering Circular is 9 February 2024

IMPORTANT NOTICES

Restrictions on marketing and sales to retail investors

The Notes discussed in this Offering Circular are complex financial instruments with high risk. They are not a suitable or appropriate investment for all investors, especially retail investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Notes. Potential investors in the Notes should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein).

In the UK, the Financial Conduct Authority (the “FCA”) Conduct of Business Sourcebook (“COBS”) requires, in summary, that the Notes should not be offered or sold to retail clients (as defined in COBS 3.4 and each a “retail client”) in the UK.

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

Potential investors should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein), including the COBS and the HKMA Circular.

Investors in Hong Kong should not purchase the Notes in the primary or secondary markets unless they are Professional Investors and understand the risks involved. The Notes are generally not suitable for, and are not intended to be offered, sold, distributed or otherwise made available to, retail investors.

The Issuer and the Joint Lead Managers are each required to comply with some or all of the COBS and/or the HKMA Circular. By purchasing, or making or accepting an offer to purchase, any Notes (or a beneficial interest in such Notes) from the Issuer and/or any of the Joint Lead Managers, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Joint Lead Managers that:

- (i) it is not a retail client in the UK;
- (ii) if it is in Hong Kong, it is a Professional Investor;
- (iii) whether or not it is subject to the COBS or the HKMA Circular, it will not:
 - (a) sell or offer the Notes (or any beneficial interests therein) to retail clients in the UK or to a retail investor in Hong Kong; or
 - (b) communicate (including the distribution of this Offering Circular) or approve an invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the UK or any customer in Hong Kong who is not a Professional Investor,

and in selling or offering the Notes (or any beneficial interests therein) or making or approving communications relating to the Notes (or any beneficial interests therein), it may not rely on the limited exemptions set out in the COBS.

The obligations above are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the EEA, the UK or Hong Kong) relating to the promotion, offering, distribution and/or sale of the Notes (or any beneficial interests therein), whether or not specifically mentioned in this Offering Circular, including (without limitation) any requirements under MiFID II, the UK FCA Handbook, the HKMA Circular and any other applicable laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interests therein) for investors in any relevant jurisdiction.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, the Notes (or any beneficial interests therein) from the Issuer and/or the Joint Lead Managers the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

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 both) 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 UK retail investors

The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the UK. For these purposes, a retail investor means a person who is one (or both) 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 in the UK by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended) (the “FSMA”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR. Consequently, no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law in the UK 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.

In addition to the above, pursuant to the COBS, the Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to retail clients (as defined in COBS 3.4) in the UK.

Professional investors and eligible counterparties only target market

Solely for the purposes of 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 manufacturers' 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 manufacturers' target market assessment) and determining appropriate distribution channels.

Solely for the purposes of 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 COBS, and professional clients, as defined in UK MiFIR; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. A distributor (as defined above) should take into consideration the manufacturers' 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 manufacturers' target market assessment) and determining appropriate distribution channels.

Notification under Section 309B(1)(C) of the SFA

Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Canada

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

Other important information

The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information. References herein to this “Offering Circular” are to this document, including the documents incorporated by reference.

This Offering Circular contains information sourced from third parties – including Statistics Sweden, Nasdaq Stockholm, the Estonian Central Bank, the Association of Commercial Banks of Latvia, the Financial and Capital Market Commission (Latvia) and the Association of Lithuanian Banks – where indicated with references to third party sources herein. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Offering Circular is to be read in conjunction with any amendment or supplement hereto and all information which is deemed to be incorporated herein by reference (see “Information Incorporated by Reference”). This Offering Circular shall be read and construed on the basis that such information is incorporated and forms part of this Offering Circular.

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 Offering Circular or in any other document prepared in connection with this Offering Circular or the Notes 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 Joint Lead Managers or the Fiscal Agent (as defined under “Terms and Conditions of the Notes”).

None of this Offering Circular, any financial statements and any other information supplied in connection with the Notes is intended to provide the basis of any credit or other evaluation of the Issuer. This Offering Circular does not constitute an offer or an invitation to subscribe for or purchase the Notes and should not be considered as a recommendation by the Issuer, the Joint Lead Managers or any of them that any recipient of this Offering Circular should subscribe for or purchase the Notes. Each recipient of this Offering Circular shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

This Offering Circular is to be used by the recipient hereof solely in connection with evaluating an investment in the Notes and for no other purpose. Copies of this Offering Circular and any related offering documents must not be mailed or otherwise distributed or transmitted in or into the United States.

Neither the delivery of this Offering Circular, nor the offering, sale or delivery of the Notes shall, in any circumstances, create any implication that there has been no adverse change in the financial situation of the Issuer since the date hereof or, as the case may be, the date upon which this Offering Circular has been most recently amended or supplemented. No representation or warranty is made or implied by the Joint Lead Managers or any of their respective affiliates or the Fiscal Agent, and neither the Joint Lead Managers nor any of their respective affiliates nor the Fiscal Agent makes any representation or warranty or accepts any responsibility, as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the issue of the Notes.

Neither the Issuer nor any of the Joint Lead Managers nor the Fiscal Agent represents that this Offering Circular may be lawfully distributed, or that the Notes may be offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. The distribution of this Offering Circular and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a description of certain

restrictions on offers, sales and deliveries of the Notes and on the distribution of this Offering Circular and other offering material relating to the Notes, see “Subscription and Sale”. This Offering Circular may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

The Notes are complex and high risk. The Notes may not be a suitable investment for all investors. Each potential investor of the Notes must determine the suitability of that investment 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 advisors, whether it:

- (a) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement to this Offering Circular including, but not limited to, any taxation issues related to purchasing and/or holding the Notes;
- (b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- (c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments, i.e. U.S. dollars, is different from the currency in which such potential investor’s financial activities are principally denominated;
- (d) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and
- (e) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the 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 the Notes under any applicable risk-based capital or similar rules.

In this Offering Circular, 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 Offering Circular.

All references in this Offering Circular 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, references to “U.S. dollars”, “USD”, “U.S.\$” and “\$” refer to United States dollars and references to “SEK” or “Krona” refer to Swedish Krona.

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STABILISATION

IN CONNECTION WITH THE ISSUE OF THE NOTES, CITIGROUP GLOBAL MARKETS EUROPE AG AS THE STABILISATION MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER) 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 OR OVER-ALLOTMENT MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE 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 AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISATION MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

1 Overview of the Notes

The following description of the Notes does not purport to be complete and is qualified in its entirety by the remainder of this Offering Circular. Words and expressions defined in “Terms and Conditions of the Notes” below or elsewhere in this Offering Circular shall have the same meanings in this description of key features of the Notes. References to a numbered “Condition” shall be to the relevant Condition in the Terms and Conditions of the Notes.

Issuer:	Swedbank AB (publ)
Issuer Legal Entity Identifier (LEI):	M312WZV08Y7LYUC71685
Sole Structuring Adviser:	Citigroup Global Markets Europe AG
Joint Lead Managers:	Barclays Bank Ireland PLC, BofA Securities Europe SA, Citigroup Global Markets Europe AG, J.P. Morgan SE, Swedbank AB (publ) and UBS Europe SE
Fiscal Agent:	Citibank, N.A., London Branch
Paying Agent:	Citibank, N.A., London Branch
Paying and Conversion Agent:	Citibank, N.A., London Branch
Issue Date:	13 February 2024
First Reset Date:	17 September 2030
Optional Redemption Date:	(i) any time in the six months prior to and including the First Reset Date and (ii) any Interest Payment Date thereafter.
Maturity:	The Notes are perpetual securities and have no fixed date for redemption. The Issuer may only redeem the Notes in the circumstances described herein.
Issue Price:	100.00 per cent.
Status:	Unless previously converted into Conversion Shares pursuant to Condition 5 (<i>Loss Absorption Mechanism</i>), the Notes will constitute direct, unsecured, unguaranteed and subordinated debt obligations of the Issuer and will further entail an obligation for the Noteholders to have their Notes converted into Ordinary Shares as set forth in Chapter 15 of the Swedish Companies Act (<i>Sw: aktiebolagslagen (2005:551)</i>) and in the Terms and Conditions of the Notes. In the event of the voluntary or involuntary liquidation (<i>Sw: likvidation</i>) or bankruptcy (<i>Sw: konkurs</i>) of the Issuer, the rights and claims (if any) of the Noteholders in respect of or arising from the Notes (including any accrued but uncanceled interest or damages awarded for breach of any obligations under the Terms and Conditions of the Notes, if any are payable) shall rank:

- (A) junior in right of payments to the payment of any present or future claims of (a) depositors of the Issuer, (b) other unsubordinated creditors of the Issuer, and (c) subordinated creditors of the Issuer in respect of Subordinated Indebtedness other than Parity Securities and Junior Securities which comprise Subordinated Indebtedness;
- (B) *pari passu* without any preference among themselves;
- (C) at least *pari passu* with payments to holders of present or future outstanding Parity Securities; and
- (D) in priority to payments to holders of present or future outstanding Junior Securities,

subject, in all cases, to mandatory provisions of Swedish law, including but not limited to the Swedish implementation of Article 48(7) of the BRRD.

Interest and Interest Payment Dates: The Notes will bear interest, payable semi-annually in arrear on 17 March and 17 September in each year, at the relevant Rate of Interest. There will be a long first interest period. The first payment of interest will be made on 17 September 2024 in respect of the period from (and including) the Issue Date to (but excluding) 17 September 2024.

The Rate of Interest will reset on the First Reset Date and on each Reset Date thereafter. See Condition 3 (*Interest*).

Interest Cancellation: Interest on the Notes will be due and payable only at the sole and absolute discretion of the Issuer, and the Issuer shall have sole and absolute discretion at all times to cancel (in whole or in part) any interest payment that would otherwise be payable on any Interest Payment Date or other date. If the Issuer does not make an interest payment on the relevant Interest Payment Date or other date (or if the Issuer elects to make a payment of a portion, but not all, of such interest payment), such non-payment shall evidence the Issuer's exercise of its discretion to cancel such interest payment (or the portion of such interest payment not paid), and accordingly such interest payment (or the portion thereof not paid) (together with any Additional Amounts payable thereon pursuant to Condition 9 (*Taxation*), if applicable, shall be deemed to be cancelled and shall not be due and payable. The Issuer will also be obliged to cancel interest in certain circumstances. See Condition 4 (*Interest Cancellation*).

Optional Redemption by the Issuer on any Optional Redemption Date: Subject to Condition 6(o) (*Conditions to Redemption*), Condition 6(f) (*Notice for redemption*) and Condition 6(g) (*Trigger Event*), the Issuer may, at its option, redeem the Notes, in whole but not in part, on any Optional Redemption Date at their principal amount, together with accrued but unpaid interest (which excludes any interest cancelled or deemed to be cancelled in accordance with Condition 4 (*Interest Cancellation*)).

Optional Redemption by the Issuer upon the Occurrence of a Tax Event or a Capital Event: Subject to Condition 6(o) (*Conditions to Redemption*), Condition 6(f) (*Notice for redemption*) and Condition 6(g) (*Trigger Event*), upon the occurrence of a Tax Event or a Capital Event, the Issuer may, at its option, at any time redeem the Notes, in whole but not in part, at their principal amount, together with accrued interest (which excludes any interest cancelled or deemed to be cancelled in accordance with Condition 4 (*Interest Cancellation*)).

Loss absorption: If a Trigger Event occurs at any time, an Automatic Conversion will be deemed to have occurred at such time, and the Notes will be converted into Conversion Shares at the Conversion Price as described in Condition 5 (*Loss Absorption Mechanism*).

Following any such Automatic Conversion:

- (A) the principal amount of the Notes will be written down to zero and, accordingly, the principal amount of the Notes shall equal zero at all times thereafter;
- (B) any interest in respect of an Interest Period ending on any Interest Payment Date falling on or after the Conversion Date shall be automatically cancelled and shall not be due and payable;
- (C) no Noteholder will have any rights against the Issuer with respect to the repayment of the principal amount of the Notes or the payment of interest or any other amount on or in respect of such Notes, which obligations and liabilities of the Issuer shall be irrevocably and automatically released; and
- (D) subject to the last paragraph of Condition 5(d) (*Settlement Procedure*), the Issuer's only obligations and liabilities under the Notes shall be an obligation to deliver Conversion Shares to the Settlement Shares Depository on behalf of the Noteholders on the Registration Date in accordance with Condition 5 (*Loss Absorption Mechanism*).

See Condition 5 (*Loss Absorption Mechanism*).

Conversion Price: The Conversion Price will be, if the Ordinary Shares are:

- (a) then admitted to trading on a Relevant Stock Exchange, the greater of:
 - (i) the Current Market Price of an Ordinary Share on the Conversion Date converted into USD at the then Prevailing Exchange Rate; and
 - (ii) the Floor Price on the Conversion Date; or
- (b) not then admitted to trading on a Relevant Stock Exchange, the Floor Price on the Conversion Date.

The Floor Price is set at U.S.\$13.36 and is subject to adjustment thereafter in accordance with Condition 5(g) (*Adjustment of Floor Price*), provided always that the Floor Price shall not be less than the quota value (*Sw: kvotvärde*) of the Ordinary Shares immediately prior to the Automatic Conversion translated into USD at the then Prevailing Exchange Rate.

Settlement Procedure: Subject to the last paragraph of Condition 5(d) (*Settlement Procedure*), the obligation of the Issuer to issue and deliver Conversion Shares to a Noteholder shall be satisfied by the delivery of the Conversion Shares in respect of the Note(s) of such Noteholder to the Settlement Shares Depository on the Registration Date.

See Condition 5(d) (*Settlement Procedure*).

Negative Pledge: None

Cross Default: None

Winding-up, Non-payment, Breach of Obligations, Remedies: Enforcement events and related remedies will be limited to the occurrence of a Winding-up Event and to non-payment in the limited circumstances described in Condition 10(b) (*Non-payment*). See Condition 10 (*Winding-Up, Non-payment, Breach of Obligations, Remedies*). An Automatic Conversion shall not constitute an enforcement event, as described in Condition 10 (*Winding-Up, Non-payment, Breach of Obligations, Remedies*) or a breach of the Issuer's obligations under the Terms and Conditions of the Notes or a failure to perform in any matter whatsoever and shall not entitle Noteholders to petition for the insolvency or dissolution of the Issuer or otherwise.

Meetings of Noteholders and Modifications: The Notes and the Agency Agreement contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Taxation: Payments in respect of Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Sweden or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer shall (subject as provided in Condition 9 (*Taxation*)) pay in respect of payments of interest (but not principal or any other amount) such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes or Coupons had no such withholding or deduction been required.

Form of the Notes:	The Notes will be issued in bearer form and will initially be in the form of the Temporary Global Note, without Coupons, which will be deposited on or around the Issue Date with a common depository for Euroclear and Clearstream, Luxembourg. Interests in the Temporary Global Note will be exchangeable for interests in the Permanent Global Note, without Coupons, on or after the Exchange Date, upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for Definitive Notes only in certain limited circumstances in accordance with the terms of the Permanent Global Note. See “Summary of Provisions Relating to the Notes while in Global Form” below.
Substitution or Variation:	If at any time a Capital Event or a Tax Event occurs or in order to ensure the effectiveness and enforceability of Condition 18(f) (<i>Acknowledgement of Swedish Statutory Loss Absorption Powers</i>), the Issuer may either substitute all (but not some only) of the Notes or vary the terms of the Notes, without any requirement for the consent or approval of the Noteholders, so that or provided that (as the case may be) they remain or, as appropriate, so that they become Qualifying Additional Tier 1 Securities. See Condition 15 (<i>Substitution or Variation instead of Redemption</i>).
Denominations:	The Notes will be issued in the denominations of U.S.\$200,000.
Listing and Admission to Trading:	Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on the GEM of Euronext Dublin.
Irish Listing Agent:	Arthur Cox Listing Services Limited
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 and Jurisdiction; Acknowledgement of Swedish Statutory Loss Absorption Powers”.
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by English law, except that the provisions of Condition 2 (<i>Status</i>) and all non-contractual obligations arising out of or in connection with Condition 2 (<i>Status</i>), the conversion (if any) of the Notes into Conversion Shares and any Compulsory Acquisition Proceedings will be governed by, and shall be construed in accordance with, the laws of Sweden.
Enforcement of the Notes in Global Form:	In the case of Global Notes, individual investors’ rights against the Issuer will be governed by a Deed of Covenant to be dated 13 February 2024, a copy of which will be available for inspection at the specified office of the Fiscal Agent.
Selling Restrictions:	There are certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering materials in the United States of America, the EEA, the United Kingdom, Canada, Italy, Singapore and Hong Kong; see “Subscription and Sale”.

2 Risk Factors

Investing in the Notes involves certain risks. If any of the risks described below materialise, the Group's business, financial condition and results of operations could suffer, and the trading price and liquidity of the Notes could decline, in which case an investor may lose some or all of the value of its investment. In addition, if certain of these risks or a combination of some of these risks materialise, interest payments on the Notes may be cancelled or the Notes may be mandatorily converted into shares as a result of a significant deterioration in the Group's financial condition leading to additional losses in the value of your investment.

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

*References herein to the annual numbers for the 12 month period ended 31 December 2023 are references to unaudited numbers. **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 Issuer and its subsidiaries on a consolidated basis (the "Group") are 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 1,674 million for the year ended 31 December 2023 and were mainly due to negative ratings, stage migrations and weaker macroeconomic scenarios, which were partly offset by reversals of post-model credit adjustments and repayment of loans. The buffer of post-model expert credit adjustments to cover potential future credit impairments amounted to SEK 1,324 million at the end of 2023 (compared to SEK 1,738 million at the end of 2022 and SEK 1,796 million at the end of 2021). High interest rates, costs, and high energy prices combined with geopolitical instability continue to weigh on private 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 have been made to capture potential future rating and stage migrations. The most significant post-model adjustments at 31 December 2023 were in the property management, retail and wholesale, manufacturing and construction sectors. Credit impairments in the fourth quarter of 2023 amounted to SEK 363 million (as compared to SEK 347 million in the third quarter of 2023). Rating and stage migrations accounted for SEK 584 million (as compared to SEK 831 million in the third quarter of 2023), while post model

adjustments decreased by SEK -140 million (as compared to SEK -158 million in the third quarter of 2023). Updated macroeconomic scenarios increased credit impairments by SEK 174 million (as compared to SEK 201 million in the third quarter of 2023). For individually assessed loans, credit impairments increased by SEK 414 million (as compared to SEK -265 million in the third quarter of 2023).

The credit impairments corresponded to a credit impairment ratio of 0.09 per cent. for the year ended 31 December 2023 compared to a credit impairment of SEK 1,479 million, corresponding to a credit impairment ratio of 0.08 per cent. for the year ended 31 December 2022 and a SEK 170 million credit impairment, corresponding to a credit impairment ratio of 0.01 per cent. for the year ended 31 December 2021. There can be no assurance that the Group will not experience materially higher credit impairments in the future.

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

A significant portion, SEK 109 billion, or 18 per cent. as of 31 December 2023, 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.*

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 Swedish Financial Supervisory Authority ("SFSA"), could have an adverse impact on the Group's credit rating.

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

If a borrower defaults under one of the Group's loans, the Group may foreclose on the loan and/or acquire title to the assets pledged as collateral, and thereafter make substantial improvements or repairs in order to 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 European Banking Authority's ("EBA") 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 begun. In addition, the SFSA has decided on a temporary add-on in the Pillar 2 requirement related to the ongoing review of certain parts of Swedbank's models while it decided on an Article 3 add-on, corresponding to Swedbank's estimate of the remaining REA effect of the other parts of the models under review. Both the Pillar 2 requirement and Article 3 add-on are expected to be held until the associated 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 European Union ("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 1 January 2025 and end on 1 January 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. The EU Council has negotiated the proposal with the EU Parliament and has agreed on the final elements of the texts. The European Parliament's Committee on Economic and Monetary Affairs approved the final texts in December 2023. The legislative package has been submitted to the European Parliament Plenary and Council for adoption, following which the final legal texts will be published in the Official Journal of the EU. 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 17 December 2021, the Swedish National Debt Office ("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 1 January 2022. The requirements began phasing in on 1 January 2022, and Swedbank met these requirements with full compliance ahead of the 1 January 2024 deadline. The fully phased in MREL requirement and subordination requirement applicable from 1 January 2024 were also met by an adequate margin in December 2023. There can be no assurance that Swedbank will be able to continue to meet its MREL requirements in the future or that the cost of it so complying will not increase.

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, IFRS 9 record keeping and calculations, and the Digital Operational Resilience Act ("DORA") which aims to strengthen the digital operational resilience of the financial sector and will come into effect on 17 January 2025. The Group

has set up an enterprise-wide DORA program to further strengthen holistic Information and Communications Technology (ICT) risk management approach and governance.

Increasing digitisation continuously affects the overall portfolio of operational risks. 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;
- 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; and
- continued high risk of customer fraud from organised crime.

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 2023, the Group occasionally experienced system disruptions that affected customer access to services. A significant fraction of IT incidents were caused by external parties, such as, in particular, several disruptions in Swish flow, which offers person-to-person payment solutions in the Swedish market. In 2023, Swedbank has observed a positive trend in service stability in Baltic electronic delivery channels (internet and mobile banking).

Whilst Swedbank is focused on further improving its service stability via electronic channels, there is no guarantee that IT incidents will not occur in the future. The primary impact for Swedbank from severe service stability 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 authorisations, 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 Baltic countries are exposed to various risks which may differ from those in Sweden. In the Baltic countries, the Group is exposed to heightened geopolitical risks due to the proximity to the war in Ukraine. Since 24 February 2022, when Russia invaded Ukraine, which resulted in a full scale war, the United States, the United Kingdom and the EU have imposed economic sanctions on Russia and Belarus, which have and may continue to have substantial effects on energy prices and supply across Europe. Many companies had to revisit their supply chains and ceased operations in Russia, Belarus or Ukraine. In addition, the Baltic countries are relatively new democracies and face greater political risk (e.g., populist changes to tax or consumer protection legislation). As smaller economies, the Group faces greater economic volatility, including the risk of recession and inflation, and increased concentration risk in its credit portfolio. The Baltics are open and export orientated economies and are therefore dependent on the pace of recovery in their main export markets (Europe and the Nordics). In the Baltics, a majority of loans are floating rate loans. Increases in interest rates may have more direct impact on borrowers.

Potential escalations of the war in Ukraine and any new sanctions, adding to the already elevated price pressures, could negatively affect economic activity, which may have a material adverse effect on Swedbank's business, financial condition and results of operations. 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, or additional changes in economic, regulatory or monetary policy in response to 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 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*", 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 concentration risk in the form of exposure to certain operating segments. For the full-year 2023, the Swedish Banking business segment generated 50 per cent. of the Group's total income and 56 per cent. of its profits. The C&I business segment generated 20 per cent. of the Group's total income and 20 per cent. of its profits. Therefore, a downturn in these segments 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 58 per cent. of Swedbank's total loans to customers as of 31 December 2023, with 88 per cent. of the private mortgage loans in Sweden. Swedbank's lending to the property management sector was the largest corporate sector, amounting to SEK 295 billion and accounted for 17 per cent. of the total loans to customers as of 31 December 2023, with 80 per cent. of the property management loans in Sweden. Of the SEK 295 billion, 48 per cent. was commercial properties, mainly offices, 29 per cent. was residential properties, and the rest was manufacturing facilities, warehouses and other

property management. 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 2023, 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. In addition, the risk of customer fraud from organised crime remains high.

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 may 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 1 January 2023. IFRS 17 Insurance Contracts was approved by the EU in November 2021 and has been applicable from 1 January 2023. 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. The new standard has been adopted with the transition date of 1 January 2022, and comparative figures have been recalculated from that date.

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

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

As of 31 December 2023, 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 31 December 2023, the Group had SEK 360 billion 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 by a total of SEK 2.1 billion at the end of 2023, as compared to a pension asset of SEK 2.4 billion at the end of 2022. 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.

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 "*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 & brands amounted to SEK 13.9 billion as of 31 December 2023, of which SEK 11.3 billion 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.

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 31 December 2023, 81.7 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. 13.4 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 slowed throughout 2023 and is expected to continue to slow throughout the first half of 2024. In 2023, the Riksbank raised its key interest rate several times, most recently in September 2023, by 0.25 percentage points to 4.0 per cent., though the rate was held steady in November 2023, noting slowing inflation. 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 March 2022, housing prices started to decline in 2022. During 2023, housing prices started to increase despite higher interest rates and deteriorating household purchasing power. In annual terms, prices for apartments increased by 4.6 per cent. in December 2023 compared to December 2022 while housing prices were more or less unchanged according to Svensk Mäklar Statistik.

In addition to these trends, a significant risk facing the Swedish economy is the level of household debt, which remains at historically high levels, with Sweden's estimated household debt-to-disposable income ratio at 184 per cent. at mid-year 2023, according to the SFSA in November 2023. Household debt build-up continues to grow but at a much slower pace. Lending to households has increased by an average of 1.3 per cent. on an annualised basis from January to December 2023, which is the lowest growth rate since 2006, according to Financial Markets Statistics. The average growth rate for mortgage declined in 2023 to 1.7 per cent. from 6.1 per cent. in 2022 but also lending to consumption weakened significantly.

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 30 November 2023,¹ 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 provided 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 were delayed and on 20 February 2023, support has been paid to households in southern Sweden. The Swedish 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

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

support was previously promised. The Swedish government has also reduced fuel tax and has proposed extending the possibility for companies to receive temporary tax deferrals. As a whole, the Swedish 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 for 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 Swedish government has instructed the SFSA to take a position on raising the mortgage cap from 85 per cent. to 90 per cent. with the aim of making it easier for people to enter the housing market. While political consensus has not been reached, the Swedish government proposes to reduce interest deductions for consumer loans with the aim of counteracting over-indebtedness.

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 on its deposits or its wholesale funding costs, and the interest rates that it charges on loans to customers. 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, which 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 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 rate increases 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, a trend which continued in 2023. 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. Based on the Task Force for Climate-Related Financial Disclosures' recommendations, 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 30 per cent. as of 31 December 2023.

The EU launched an ambitious strategic road map, named the Green Deal, with the goal to reach sustainable societies and the goals set out in the Paris Agreement. An important part of the strategy is the Financial Action Plan which targets the financial sector to direct financial flows to support the Green Deal. Since 2020, there has been a constant flow of supervisory expectations, recommendations, and guidelines. There are also numerous new EU directives impacting the financial sector, (e.g., product design and advice, and reporting). These increasing demands coupled with challenges such as with data availability, have created new risks for the Group. 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.*

The Group is subject to anti-money laundering, counter-terrorism 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 Estonian Financial Supervisory Authority ("EFSA"), the U.S. Treasury's Office of Foreign Assets Control ("OFAC") and is still under investigation by the Estonian Prosecutor's Office and U.S. authorities due to allegations that customers who may have been involved in money laundering transferred significant sums of money through the Group's Baltic subsidiaries.

On 19 March 2020, the SFSA issued a warning to Swedbank and imposed an administrative fine of SEK 4 billion related to deficiencies in Swedbank's (i) governance of anti-money laundering measures in its Baltics subsidiaries during the period 2015 to the first quarter of 2019, and (ii) Swedish Banking operations (not meeting anti-money laundering requirements in its Swedish operations and not sufficiently addressing the risk of money laundering in the Baltics). Swedbank charged the fine as an expense in the first quarter of 2020.

On the same day, the EFSA concluded that the Estonian subsidiary had severe deficiencies in its anti-money laundering risk control systems and that 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, as well as to review and amend its organisational framework to more effectively manage risks. On 19 November 2020, Swedbank AS submitted a final report describing the actions taken to comply with the EFSA precept. On 28 January 2021, the EFSA determined that the activities of Swedbank AS and the evidence presented in the final report were adequate and that the matter did not require additional remarks. The EFSA follows up 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, which could lead to a maximum fine of EUR 16 million per conviction.

On 14 March 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 24 March 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"), 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. In March 2023, Swedbank made a provision of SEK 40 million for potential financial impacts related to OFAC's investigation. In June 2023, Swedbank reached an agreement to remit SEK 37 million related to the violation of OFAC regulations.

In addition, on 18 September 2020, Swedbank received notification from the SFSA that it was investigating Swedbank for suspected historical breaches of the regulation on market abuse ("MAR"). The investigation encompasses the period from 20 September 2018 to 20 February 2019 and pertains to disclosure of 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 additional information. On 26 October 2021, the SFSA notified Swedbank that it had closed its investigation with no comment.

In May 2021, the Disciplinary Committee of Nasdaq Stockholm imposed a fine on Swedbank corresponding to twelve times the annual fee, equivalent of SEK 46.6 million, in relation to historical shortcomings in Swedbank's anti-money laundering processes and routines 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 4 January 2022. On 25 January 2023, the former CEO was acquitted of all charges. On 15 February 2023, the Chief

Prosecutor and Deputy Chief Prosecutor decided to appeal the Stockholm District Court's acquittal verdict from 25 January 2023. The case will be tried by the Court of Appeals during spring 2024. The EBM has not filed any charges against Swedbank.

On 25 November 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. In 2023, Swedbank ceased its operations in Denmark. All outstanding regulatory matters were resolved prior to the closure of the branch.

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 Offering Circular, 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.*"

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 risk management procedures and methods 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 identified risks. 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 24 February 2022, Russia initiated military operations in Ukraine. The United States, the United Kingdom and the EU have implemented substantial economic sanctions against Russia, which have had substantial impacts on energy prices, and energy supply during 2022. However, in 2023, energy prices fell despite the war in Ukraine and the West's boycott of Russian natural gas and oil. The EU had replaced imports of Russian natural gas at the same time as increases in energy efficiency, causing natural gas prices to fall after the sharp increase in 2022. In 2023, the price of oil fell, as did other commodities. 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, for example if credit impairments increase driven by a deteriorating macroeconomic outlook.

The global economy has been and continues to be impacted by several geopolitical risks. In addition to Russia's invasion of Ukraine, tensions between China, the United States and the EU have continued to increase, with the risk of new trade barriers and increased protectionism. China has intensified its sovereignty claims over Taiwan and has increased militarization in the region. The conflict in Gaza, which began in October 2023, is ongoing and may spread further into the region which could affect trade flows via the Suez Canal, which account for 10-15 per cent. of global trade flows, as well as energy prices generally.

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. Despite the fact that inflation (CPI) has fallen in 2023 (recorded at 2.3 per cent. in December) according to Statistics of Sweden, there remains uncertainty as to whether inflation will remain at the inflation target of 2 per cent. if new supply disturbances were to occur.

The Riksbank continued to raise rates throughout 2023 and raised its key interest rate from 3.75 per cent. in June 2023 to 4.0 per cent. in September 2023. According to the Riksbank Monetary Policy Report in November 2023, the interest rates will be unchanged at 4.0 per cent. during 2024. However, the financial markets expect several rate cuts during the second half of 2024 due to a lower inflation rate and a weaker Swedish economy. High inflation and rising interest rates have markedly worsened household purchasing power during 2023. The average interest rate on household loans was 4.80 per cent. in November 2023 according to Statistics of Sweden, compared with 3.42 per cent. in November 2022.

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.

2.5.2 *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 the Baltics entering recession in 2009, the impact of COVID-19 during 2020 or the impact after Russia's invasion of Ukraine in 2022.

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.

2.5.3 *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. After the COVID-19 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 continued into late 2022, and partly stemmed from the war, led to an increase in inflation and higher interest rates that is still being experienced globally. The conflict in Gaza, which began in October 2023, is ongoing and may spread further into the region, which could jeopardise global trade. Approximately 10 to 15 per cent. of global trade flows pass through the Suez Canal. Attacks on several merchant ships in the Red Sea in December 2023 and January 2024 have caused transport costs to increase, which highlights increasing risks of new disruptions to global value chains. In addition, the upcoming United States presidential election in November 2024 has raised additional uncertainty regarding the United States' handling and position on various geopolitical developments. For example, European defense spending may need to increase if the United States were to reduce its efforts in Ukraine.

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

2.5.4 *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 the so-called “Tax Pillar 2” rules published by the OECD or temporary local windfall-taxes, 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, in 2023, the Lithuanian government approved a new temporary windfall-tax for Lithuanian banks to be applied for financial years 2023 and 2024. The bank tax is 60 per cent. and is applied to the net interest income earned during the period which exceeds the average net interest income of four historical years by more than 50 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 have 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.

2.5.5 *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.*

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”).

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, 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, which may result in additional regulatory burdens and related costs and expenses.

2.5.6 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 European Central Bank (“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 Interest payments on the Notes may be cancelled by the Issuer (in whole or in part) at any time and, in certain circumstances, the Issuer will be required to cancel such interest payments.

Interest on the Notes will be due and payable only at the sole and absolute discretion of the Issuer, which may, at all times and for any reason and without giving notice, cancel (in whole or in part) any interest payment that would otherwise be payable on any Interest Payment Date or other date.

2.6.2 The Issuer may without restriction use funds that could have been applied to make such cancelled payments to meet its other obligations as they become due and may pay interest on other subordinated debt and dividends on its shares notwithstanding such cancellation. In certain circumstances the Issuer may be required by law or banking regulations or contractual obligations to cancel interest payments in whole or in part.

In certain circumstances the Issuer may be required by law or banking regulations or contractual obligations to cancel interest payments. These regulations and their interaction are complex and may change over time.

Under the regulations in force at the time of issuance, the Issuer is only allowed to pay interest (including, for the avoidance of doubt, Additional Amounts) out of “distributable items” (as defined in CRR). Under the Terms and Conditions of the Notes, if the Issuer has insufficient Distributable Items to make any payment of interest in respect of the Notes scheduled for payment in the then current financial year and any other interest payments or distributions paid and/or required and/or scheduled

to be paid out of Distributable Items in such financial year, in each case excluding any portion of such payments already accounted for in determining the Distributable Items of the Issuer, then the Issuer will, without prejudice to its right to cancel all such payments of interest in respect of the Notes, make partial or, as the case may be, no such payment of interest in respect of the Notes.

Further, under Article 141 (Restrictions on distributions) of the CRD Directive, institutions that fail to meet the combined buffer requirement (as described below) will be subject to restricted “discretionary payments” (which are defined broadly by CRD as payments relating to common equity Tier 1, variable remuneration and payments on Additional Tier 1 Capital instruments). In these circumstances, payments will be made on the Notes only if and to the extent that such payments would not cause the maximum distributable amount (if any) to be exceeded. The determination of the maximum distributable amount is particularly complex and is subject to considerable uncertainty and may change over time.

For example, the maximum distributable amount could be limited to earnings accrued from the time of the latest decision to make a “discretionary payment”. The probability of the Issuer paying interest on the Notes in this situation would therefore, in addition to other circumstances, depend on the timing of the Issuer’s other discretionary payment decisions, such as any decision to pay dividends to the shareholders of the Issuer. There is no legal obligation on the Issuer in this situation to prioritise payments to Noteholders before payments to its shareholders.

Moreover, the SFSA has a broad power under Article 104 of the CRD Directive to impose requirements on the Issuer, the effect of which could (in certain circumstances) be the Issuer exercising its discretion to cancel (in whole or in part) interest payments in respect of the Notes. If the SFSA imposes such a requirement, the Issuer will exercise its discretion to cancel (in whole or in part as required by the SFSA) interest payments in respect of the Notes.

Under CRD, institutions are required to hold a minimum amount of regulatory capital of 8.0 per cent. of REA. In addition to these so-called “own funds” requirements under CRD, supervisors may require that extra capital be added to cover other risks (thereby increasing the regulatory minimum required under CRD). In any event, the views of the SFSA will affect the level at which restrictions on distributions linked to the “combined buffer requirement” come into effect. CRD also introduced capital buffer requirements that are in addition to the minimum capital requirement and required to be met with common equity tier 1 capital. It introduces five new capital buffers: (i) the capital conservation buffer, (ii) the institution-specific counter-cyclical buffer, (iii) the global systemically important institutions buffer, (iv) the other systemically important institutions buffer and (v) the systemic risk buffer. Some or all of these buffers may be applicable to the Group as determined by the Swedish FSA in accordance with Swedish legislation implementing CRD in Sweden and are referred to as the “combined buffer requirements”. Under CRD and BRRD, an institution (such as Swedbank) will be deemed to fail to meet its combined buffer requirement (whether or not the maximum distributable amount (if any) is exceeded), and therefore to be subject to the restrictions on payments on instruments, such as the Notes, where it does not have own funds and eligible liabilities in an amount and quality to meet all of the following:

- its combined buffer requirement;
- its 4.5 per cent. Pillar 1 requirement and its Pillar 2 CET1 requirement;
- its 6 per cent. Pillar 1 requirement and its Pillar 2 Tier 1 requirement;
- its 8 per cent. Pillar 1 requirement and its Pillar 2 total capital requirement; and
- its MREL/TLAC requirement.

See the risk factor entitled “*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.*” for a further discussion in respect of the proposals.

Any interest cancelled pursuant to the Terms and Conditions of the Notes shall not accumulate and will not become due or payable at any time thereafter, and Noteholders shall have no rights thereto or to receive any additional interest or compensation as a result of such cancellation. Furthermore, no cancellation of interest in accordance with the terms of the Notes shall constitute a default in payment or otherwise under the Notes.

If practicable, the Issuer shall provide notice of interest cancellation, but the Issuer is not obliged to inform investors about such interest cancellation, neither before nor after it has occurred and failure to give notice shall not affect the validity of the cancellation of any interest payment or constitute a default under the Notes for any purposes or give Noteholders any rights as a result of such failure.

Any actual or anticipated cancellation of interest on the Notes will likely have an adverse effect on the market price of the Notes. In addition, as a result of the interest cancellation provisions of the Notes, the market price of the Notes may be more volatile and more sensitive generally to adverse changes in the Issuer’s financial condition than the market prices of other debt securities on which interest accrues that are not subject to such cancellation.

Moreover, any indication that the CET1 Ratio of either the Issuer or the Group (as the case may be) is trending towards the minimum applicable combined buffer or, more generally, a decline or perceived decline in the Issuer’s or the Group’s capital, leverage and/or MREL resources towards a level at which a breach of the combined buffer requirement may occur may have an adverse effect on the market price of the Notes.

The Notes may be traded with accrued interest, but under certain circumstances described above such interest may be cancelled and not paid on the relevant scheduled payment date

The Notes may trade, and/or the prices for the Notes may appear, on Euronext Dublin and in other trading systems with accrued interest. If this occurs, purchasers of the Notes in the secondary market will pay a price that reflects such accrued interest upon purchase of the Notes. However, if a payment of interest on a scheduled payment date is cancelled (in whole or in part) as described herein and thus is not due and payable, purchasers of such Notes will not be entitled to that interest payment (or, if the Issuer elects to make a payment of a portion, but not all, of such interest payment, the portion of such interest payment not paid) on the relevant scheduled payment date.

Any actual or anticipated cancellation of interest on the Notes will likely have an adverse effect on the market price of the Notes

Any actual or anticipated cancellation of interest on the Notes will likely have an adverse effect on the market price of the Notes. In addition, as a result of the interest cancellation provisions of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such cancellation and may be more sensitive generally to adverse changes in the Group’s financial condition.

2.6.3 *Upon the occurrence of a Trigger Event, the Noteholders will lose all of their claims for payment under the Notes and receive Conversion Shares instead which are more deeply subordinated than the Notes.*

Upon the occurrence of a Trigger Event, the Noteholders will lose all of their claims for payment under the Notes and receive Conversion Shares instead which are more deeply subordinated than the Notes. The number and/or value of the Conversion Shares received by Noteholders following an Automatic

Conversion may be less than Noteholders may have expected. In addition, Noteholders may not receive Conversion Shares if they fail to submit a Delivery Notice in the manner or within the prescribed period set out in the Terms and Conditions of the Notes.

The Notes are being issued for capital adequacy regulatory purposes with the intention and purpose of being eligible as Additional Tier 1 Capital of the Issuer and the Group. Such eligibility depends upon a number of conditions being satisfied, which are reflected in the Terms and Conditions of the Notes. One of these relates to the ability of the Notes and the proceeds of their issue to be available to absorb any losses of the Issuer. Accordingly, upon the occurrence of a Trigger Event, (i) the Notes will be converted into Conversion Shares, (ii) the principal amount of the Notes will be written down to zero and, accordingly, the principal amount of the Notes shall equal zero at all times thereafter, (iii) the Noteholders will no longer have any rights against the Issuer with respect to the repayment of the principal amount of the Notes or the payment of interest or any other amount on or in respect of such Notes, which liabilities of the Issuer shall be irrevocably and automatically released and (iv) the Issuer's only obligations and liabilities under the Notes shall be an obligation to deliver Conversion Shares to the Settlement Shares Depository on behalf of the Noteholders.

Once a Note has been converted into Conversion Shares, the principal amount of such Note will not be restored in any circumstances (including where the relevant Trigger Event ceases to continue), no further interest will accrue or be payable on such Note at any time thereafter and the Noteholders shall have no recourse to the Issuer for any further payment in respect of the Notes (but without prejudice to the right of the Noteholders to receive the relevant number of Conversion Shares from the Settlement Shares Depository).

If a Trigger Event (and consequent Automatic Conversion) occurs, Noteholders will only have the claims under their Conversion Shares, and such claims in a winding-up (Sw: likvidation) or bankruptcy (Sw: konkurs) of the Issuer are the most junior-ranking of all claims. Claims in respect of Conversion Shares are not for a fixed principal amount, but rather are limited to a share of the surplus assets (if any) remaining following payment of all amounts due in respect of the liabilities of the Issuer.

Further, the Terms and Conditions provide that neither the Issuer, nor any of its Subsidiaries shall be liable for any stamp duty, stamp duty reserve tax, or any other capital, issue, transfer, registration, financial transaction or documentary tax that may arise or be paid as a consequence of the delivery of Conversion Shares, which tax shall be borne solely by the relevant Noteholder. In addition, upon an Automatic Conversion, the holders of Conversion Shares may be subject to capital gains tax or to Swedish withholding tax on any dividend payments and certain other distributions in relation to the Conversion Shares. Please see "*Taxation – Swedish Taxation*".

If a Noteholder fails to submit a Delivery Notice to the Settlement Shares Depository in the manner and within the prescribed timeframe specified in the Terms and Conditions of the Notes, the Settlement Shares Depository shall use its reasonable endeavours to sell the relevant Conversion Shares (which would otherwise have been due to such Affected Noteholder) in the open market and it shall hold the Cash Proceeds on trust (or other similar arrangement) on behalf of the Affected Noteholder, in accordance with the Terms and Conditions of the Notes. There is therefore a risk that Noteholders will not receive Conversion Shares upon the occurrence of a Trigger Event.

Because a Trigger Event will occur when the CET1 Ratio of the Issuer or the Group, as applicable, will have deteriorated significantly, any Trigger Event will likely be accompanied by a prior deterioration in the market price of the Ordinary Shares, which may be expected to continue after announcement of the relevant Trigger Event. Therefore, in the event of the occurrence of a Trigger Event, the Current Market Price of an Ordinary Share may be below the Floor Price, and investors could receive Conversion Shares at a time when the market price of the Conversion Shares is considerably less than the Floor Price. In such circumstances, Noteholders may receive a smaller number of Conversion Shares than expected by the Noteholders. In addition, there may be a delay in a Noteholder receiving

its Conversion Shares following an Automatic Conversion, during which time the market price of the Ordinary Shares may fall further. As a result, the value of the Conversion Shares received following an Automatic Conversion could be substantially lower than the price paid for the Notes at the time of their purchase.

Also, because the Notes are denominated in a currency other than SEK and any Conversion Shares will be denominated in SEK, fluctuations in the exchange rates between these two currencies may adversely affect the number of Conversion Shares delivered to a Noteholder as a result of an Automatic Conversion.

2.6.4 *Noteholders may lose a right to dividends, distributions or other rights emanating from the Conversion Shares in the event of liquidation (Sw: likvidation) or bankruptcy (Sw: konkurs) proceedings of the Issuer prior to the registration of such Conversion Shares with the Share Registrar or the SCRO.*

In the event that liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) proceedings have been initiated against the Issuer after the Conversion Date but before the Conversion Shares have been registered with the Share Registrar or the SCRO, the Conversion Shares may not be registered at all or may only be registered if the liquidator or the administrator in the bankruptcy (Sw: *konkurs*) (if and when appointed) so agrees. The Conversion Shares will carry a right to dividends, distributions and other rights having a record date that occurs on or after the Registration Date. If the Conversion Shares are not registered with the Share Registrar or the SCRO, the Noteholders will not have the benefit of any dividends, distributions or other rights in relation to the share capital of the Issuer emanating from the Conversion Shares which are contingent upon such registration.

2.6.5 *In addition to a conversion of the Notes in accordance with Condition 5 (Loss Absorption Mechanism) as described above, the Notes may also be written off, written down, converted to ordinary shares or otherwise modified in a manner which is materially adverse to investors in circumstances where the resolution authorities exercise powers under EU recovery and resolution regimes. The exercise of any such power or any suggestion of such exercise could materially adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.*

The BRRD contains different resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest. Such powers include bail-in – which gives resolution authorities the power to write down certain claims of unsecured creditors (including in respect of the Notes) of a failing relevant entity (which write-down may result in the reduction of such claims to zero) and to convert certain unsecured debt claims (including the Notes) to equity or other instruments of ownership (the “general bail-in tool”), which equity or other instruments could also be subject to any future cancellation, transfer or dilution.

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

In addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power to permanently write-down or convert into equity capital instruments such as the Notes at the point of non-viability and before any other resolution action is taken (“non-viability loss absorption”). Any shares issued to Noteholders upon any such conversion into equity may also be subject to any application of the general bail-in tool. See “*Regulatory Considerations*” for further detail.

Any application of the (i) general bail-in tool or (ii) 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 the Noteholders 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 the Noteholders pursuant to the exercise of the general bail-in tool or non-viability loss absorption is less favourable than would have been the case under such hierarchy in normal insolvency proceedings, a Noteholder 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 Noteholder for the losses it has actually incurred and there is likely to be a considerable delay in the recovery of such compensation. Compensation payments (if any) are also likely to be made considerably later than when amounts may otherwise have been due under the Notes.

The powers set out in the BRRD impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. The Noteholders may be subject to write-down or conversion into equity on any 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, any dates on which payments may be due, as well as the suspension of payments for a certain period.

The exercise of the bail-in power, any resolution tools, or any application of any non-viability loss absorption measure, or any suggestion of such exercise could, therefore, materially adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

2.6.6 *The value of the Notes may decline because of changes, or perceived changes, in the CET1 Ratio of the Issuer or the Group. The circumstances that may give rise to a Trigger Event are unpredictable, as there are a number of factors that could affect the CET1 Ratio of the Issuer or the Group.*

The market price of the Notes is expected to be affected by changes, or perceived changes, in the CET1 Ratio of the Issuer or the Group. Changes, or perceived changes, in the CET1 Ratio of the Issuer or the Group may be caused by changes in the amount of CET1 Capital and/or REA, as well as changes to their respective definition and interpretation under the Relevant Rules.

The Issuer only publicly reports the CET1 Ratio of the Issuer and the Group quarterly as of the period end, and therefore during the quarterly period there is no published updating of the CET1 Ratio of the Issuer or the Group and there may be no prior warning of adverse changes in the CET1 Ratio of the Issuer or the Group. The CET1 Ratio of the Issuer or the Group may fluctuate during a quarterly period, as described below. Any decline in the CET1 Ratio of the Issuer or the Group, and/or an indication that the CET1 Ratio of the Issuer or the Group is moving towards the level of a Trigger Event and that a Trigger Event may occur may have an adverse effect on the market price of the Notes.

The occurrence of a Trigger Event is inherently unpredictable and depends on a number of factors, including those discussed in greater detail in the following paragraphs, any of which may be outside the Issuer’s control.

The calculation of the CET1 Ratio of the Issuer and the Group could be affected by one or more factors, including, among other things, changes in the mix of the Group's business, major events affecting the Group's earnings, dividend payments by the Issuer, regulatory changes (including changes to definitions and calculations of regulatory capital ratios and their components, including CET1 Capital and REA) and the Group's ability to manage assets included in its REA in both its ongoing businesses and those which it may seek to exit.

The Issuer will have no obligation to consider the interests of the Noteholders in connection with the strategic decisions of the Group, including in respect of capital management. Noteholders will not have any claim against the Issuer or any other member of the Group relating to decisions that affect the business and operations of the Group, including its capital position, regardless of whether they result in the occurrence of a Trigger Event. Such decisions could cause Noteholders to lose all or part of the value of their investment in the Notes.

In addition, the Group has capital resources and assets included in its REA denominated in foreign currencies, and changes in foreign exchange rates will result in changes in the relevant currency equivalent value of foreign currency denominated capital resources and assets included in its REA. As a result, the CET1 Ratio of the Issuer and the Group is exposed to foreign currency movements.

The calculation of the CET1 Ratio of the Issuer and the Group may also be affected by changes in applicable accounting rules, or by changes to regulatory adjustments which modify the regulatory capital impact of accounting rules. Moreover, even if changes in applicable accounting rules, or changes to regulatory adjustments which modify accounting rules, are not yet in force as of the relevant calculation date, the Swedish FSA could require the Issuer to reflect such changes in any particular calculation of the relevant CET1 Ratio. Any decline in the CET1 Ratio of the Issuer or the Group may have an adverse effect on the market price of the Notes.

Because of the inherent uncertainty regarding whether a Trigger Event will occur it will be difficult to predict when, if at all, an Automatic Conversion may occur. Accordingly, the trading behaviour of the Notes is not necessarily expected to follow the trading behaviour of other types of security.

2.6.7 *Noteholders will also bear the risk of fluctuations in the price of the Ordinary Shares.*

The market price of the Notes is expected to be affected by fluctuations in the market price of the Ordinary Shares, in particular if at any time there is a significant deterioration in the CET1 Ratio of the Issuer or the Group. It is impossible to predict whether the price of the Ordinary Shares will rise or fall. Market prices of the Ordinary Shares will be influenced by, among other things, the financial position of the Issuer and the Group, the results of operations and political, economic, financial and other factors. Any decline in the market price of the Ordinary Shares or any indication that the CET1 Ratio of the Issuer or the Group is trending towards the occurrence of a Trigger Event may have an adverse effect on the market price of the Notes. The level of the CET1 Ratio of the Issuer or the Group may also significantly affect the market price of the Notes and/or the Ordinary Shares.

2.6.8 *The value of the Notes may decline because the holders do not have anti-dilution protection in all circumstances. In particular, the occurrence of corporate actions or events in respect of which no adjustment to the Floor Price is made may adversely affect the value of the Notes.*

The number of Conversion Shares which are to be issued in respect of each Note upon the occurrence of a Trigger Event shall be determined by dividing the aggregate principal amount of such Note outstanding immediately prior to the Conversion Date by the Conversion Price (rounded down, if necessary, to the nearest whole number of Conversion Shares).

The Conversion Price will be, if the Ordinary Shares are:

- (a) then admitted to trading on a Relevant Stock Exchange, the greater of:

- (i) the Current Market Price of an Ordinary Share on the Conversion Date translated into USD at the then Prevailing Exchange Rate; and
 - (ii) the Floor Price on the Conversion Date; or
- (b) not then admitted to trading on a Relevant Stock Exchange, the Floor Price on the Conversion Date.

The Floor Price will be adjusted upon the occurrence of certain corporate actions, as specified in Condition 5(g) (*Adjustment of Floor Price*) provided always that the Floor Price shall not be less than the quota value (Sw: *kvotvärde*) of the Ordinary Shares immediately prior to Automatic Conversion translated into USD at the then Prevailing Exchange Rate. However, save as specified in Condition 5(g) (*Adjustment of Floor Price*), there is no requirement that there should be an adjustment of the Floor Price for any other corporate actions or events that may affect the market price of the Conversion Shares.

Accordingly, the occurrence of corporate actions or events in respect of which no adjustment to the Floor Price is made may adversely affect the value of the Notes.

2.6.9 The Notes are deeply subordinated obligations.

The Notes are unsecured, unguaranteed, deeply subordinated obligations of the Issuer and are currently the most junior debt instruments of the Issuer, ranking behind claims of depositors of the Issuer, other unsubordinated creditors of the Issuer and subordinated creditors of the Issuer in respect of Subordinated Indebtedness other than Parity Securities and Junior Securities which comprise Subordinated Indebtedness, *pari passu* amongst themselves and at least *pari passu* with Parity Securities and currently in priority only to all Junior Securities, subject, in all cases, to mandatory provisions of Swedish law, including but not limited to the Swedish implementation of Article 48(7) of the BRRD.

In the event of the voluntary or involuntary liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer, the Issuer may not have enough assets remaining after payments to such prior ranking creditors to pay amounts due under the Notes.

Despite their *pari passu* ranking in case of liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*), due to different trigger levels for loss absorption among the Notes and some of the Parity Securities (or, as the case may be, no loss absorption trigger event), the Notes will absorb losses of the Issuer by being converted into Ordinary Shares before holders of such Parity Securities have to suffer any losses by way of being written down. In addition, any failure to write down Parity Securities may result in the Notes being converted into Ordinary Shares sooner than expected.

For the avoidance of doubt, the Noteholders shall, in a winding-up (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer which commences prior to any Conversion Date, have no claim in respect of the surplus assets (if any) of the Issuer remaining in any winding-up or dissolution following payment of all amounts due in respect of the liabilities of the Issuer.

2.6.10 The Issuer is not prohibited from issuing further debt, which may rank *pari passu* with or senior to the Notes.

There is no restriction on the amount or type of further securities or indebtedness that the Issuer or its subsidiaries may issue, incur or guarantee, as the case may be, that rank senior to, or *pari passu* with, the Notes offered hereby. The issue or guaranteeing of any such further securities or indebtedness may reduce the amount recoverable by the Noteholders in the case of a voluntary or involuntary liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer and may limit its ability to meet its obligations under the Notes. In addition, the Notes do not contain any restriction on the Issuer

issuing securities that may have preferential rights to the Notes or securities with similar or different provisions to those described herein.

2.6.11 The Notes are of a perpetual nature.

The Notes have no fixed final redemption date and holders have no rights to call for the redemption of the Notes. Although the Issuer may redeem the Notes in certain circumstances there are limitations on its ability to do so. There will be no redemption at the option of the Noteholders in any circumstances. Therefore, Noteholders should be aware that they may be required to bear the financial risks of an investment in such Notes for an indefinite period of time.

2.6.12 Notes subject to optional redemption by the Issuer or upon the occurrence of a Capital Event or a Tax Event.

Subject as provided herein, in particular to Condition 6(e) (*Conditions to Redemption*), Condition 6(f) (*Notice for redemption*) and Condition 6(g) (*Trigger Event*), the Issuer may, at its option, redeem the Notes, in whole but not in part, on any Optional Redemption Date at their principal amount, together with any accrued but unpaid interest thereon insofar as it has not been cancelled (or deemed to be cancelled in accordance with Condition 4 (*Interest Cancellation*)). Subject as aforesaid, upon the occurrence of a Capital Event or a Tax Event, the Issuer may also, at its option, at any time redeem the Notes, in whole but not in part, together with any accrued but unpaid interest thereon insofar as it has not been cancelled (or deemed to be cancelled in accordance with Condition 4 (*Interest Cancellation*)).

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the 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. In addition, the decision or a change in the perceived likelihood of the Issuer to decide to redeem (or not to redeem, as the case may be) any own funds instruments pursuant to their terms may also affect the market value of the Notes.

Upon redemption, an investor may 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.

2.6.13 Remedies in respect of the Notes are severely limited.

The Notes will contain limited enforcement events as follows:

- (i) where the Issuer fails to pay any amount that has become due and payable under the Notes pursuant to Condition 6(b) (*Redemption for Capital Event*), Condition 6(c) (*Redemption for Tax Event*) or Condition 6(d) (*Redemption at the option of the Issuer*) (redemption under each such condition being subject to Condition 6(e) (*Conditions to Redemption*), Condition 6(f) (*Notice for redemption*) and Condition 6(g) (*Trigger Event*)) and such failure continues for fourteen (14) days and each Noteholder may, subject to the Swedish Bankruptcy Act (1987:672), institute proceedings in the Kingdom of Sweden (or such other jurisdiction in which the Issuer may be organised) (but not elsewhere) for the Issuer to be declared bankrupt and/or prove or claim in the Bankruptcy or Liquidation of the Issuer; and
- (ii) the occurrence of a Winding-up Event, where such Winding-up Event occurs before the occurrence of a Trigger Event, the Notes will become immediately due and payable at their principal amount, but subject to the Noteholders only being able to claim payment in respect of the Notes in the Bankruptcy or Liquidation of the Issuer.

However, in each case, the Noteholder may claim payment in respect of the Notes only in the winding-up or, as the case may be, bankruptcy (Sw: *konkurs*) or liquidation (Sw: *likvidation*) of the Issuer.

For the avoidance of doubt, a "resolution" or "moratorium" under the BRRD will not constitute a Winding-up Event. In addition, the refusal of the Relevant Regulator to give its consent to any early redemption, purchase, substitution or variation shall not constitute a Winding-up Event.

2.6.14 *Noteholders will have to submit a Delivery Notice in order to receive delivery of the Conversion Shares and they (or their nominee, custodian or other representative) will have to have an account with Euroclear Sweden in order to receive the Conversion Shares.*

In order to obtain delivery of the Conversion Shares, a Noteholder must deliver a Delivery Notice (and the relevant Notes) to the Settlement Shares Depository in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg or (if the Notes are in definitive form) to the Paying and Conversion Agent. The Delivery Notice must contain certain information, including the Noteholder's Euroclear Sweden account details. Accordingly, Noteholders (or their nominee, custodian or other representative) will have to have an account with Euroclear Sweden in order to receive the Conversion Shares. If a Noteholder fails to properly complete and deliver a Delivery Notice on or before the Notice Cut-off Date, the Settlement Shares Depository shall continue to hold the Conversion Shares on trust (or other similar arrangement) for ten (10) Business Days until a Delivery Notice (and the relevant Notes) is or are so validly delivered. The Issuer shall have no liability to any Noteholder for any loss resulting from such Noteholder not receiving any Conversion Shares or from any delay in the receipt thereof, in each case as a result of such Noteholder failing to submit a valid Delivery Notice on a timely basis or at all.

2.6.15 *Receipt by the Settlement Shares Depository of the Conversion Shares shall irrevocably discharge and satisfy the Issuer's obligations in respect of the Notes.*

The Issuer will deliver the relevant Conversion Shares to the Settlement Shares Depository on the Registration Date, and the Settlement Shares Depository will hold the Conversion Shares on behalf of the Noteholders. Receipt by the Settlement Shares Depository of the Conversion Shares shall irrevocably discharge and satisfy the Issuer's obligations in respect of the Notes and a Noteholder shall, with effect on and from the Registration Date, only have recourse to the Settlement Shares Depository for the delivery to it of the relevant Conversion Shares. The Issuer shall not have any liability for the performance of the obligations of the Settlement Shares Depository.

In addition, the Issuer has not yet appointed a Settlement Shares Depository and the Issuer may not be able to appoint a Settlement Shares Depository if an Automatic Conversion occurs. In such a scenario, the Issuer would inform Noteholders of any alternative arrangements in connection with the issuance and/or delivery of the Conversion Shares, and such arrangements may be disadvantageous to, and more restrictive on, the Noteholders. For example, such arrangements may involve Noteholders having to wait longer to receive their Conversion Shares than would be the case under the arrangements expected to be entered into with a Settlement Shares Depository. An issue of the Conversion Shares by the Issuer to the relevant recipient in accordance with these alternative arrangements shall constitute a complete and irrevocable release of all of the Issuer's obligations in respect of the Notes.

2.6.16 *Noteholders may be obliged to make a takeover bid upon the occurrence of the Trigger Event if they take delivery of Conversion Shares.*

Upon the occurrence of the Trigger Event, a Noteholder receiving Conversion Shares may have to make a takeover bid addressed to all the shareholders of the Issuer pursuant to the Swedish Stock Market (Takeover Bids) Act (2006:451) (as amended or replaced from time to time) implementing Directive 2004/25/EC of the European Parliament and of the Council if its aggregate holding of voting

rights in the Issuer (or its voting rights aggregated with those of its related parties) represent at least 30 per cent. of all the voting rights in the Issuer.

2.6.17 *Noteholders who receive Conversion Shares upon the occurrence of a Trigger Event may be subject to disclosure obligations and/or may need approval by the Issuer's regulators and other authorities.*

As the Notes are convertible into Conversion Shares in certain circumstances, an investment in the Notes may result in a Noteholder, upon conversion of its Notes into Conversion Shares, having to comply with certain notification, disclosure and/or approval requirements pursuant to the Swedish Foreign Direct Investment Screening Act (Sw: *Lag (2023:560) om granskning av utländska direktinvesteringar*), the Swedish Banking and Financing Business Act (Sw: *Lag (2004:297) om bank- och finansieringsrörelse*) and the Swedish Financial Instruments Trading Act (Sw: *Lag (1991:980) om handel med finansiella instrument*) (each as amended or replaced from time to time) and other laws and regulations. Non-compliance with such notification, disclosure and/or approval requirements may lead to the allocation of Conversion Shares to the Noteholder being declared null and void, the incurrance by the Noteholder of substantial fines and/or suspension of voting rights associated with the Conversion Shares.

2.6.18 *Noteholders who receive Conversion Shares may be subject to compulsory acquisition proceedings in relation to their Conversion Shares.*

Pursuant to the Swedish Companies Act (Sw: *aktiebolagslagen (2005:551)*), a shareholder that directly or indirectly holds more than 90 per cent. of the shares of the Issuer is entitled to acquire the other shareholders' shares and each minority shareholder is entitled to require such majority shareholder to acquire its shares. A majority shareholder that exercises such right to acquire the outstanding shares in the Issuer is also entitled to acquire any convertibles (including the Notes) or warrants issued by the Issuer. Each holder of such convertibles or warrants (including the Noteholders) is entitled to require the majority shareholder to acquire its convertibles (including the Notes) or warrants notwithstanding that the majority shareholder does not exercise its right to acquire the outstanding shares. If an agreement on the purchase price cannot be reached between the parties, the purchase price shall be determined through arbitration and generally be the price which could be expected in a sale under normal circumstances. A shareholder or a holder of a convertible or a warrant who does not participate in the arbitration will be represented by a trustee appointed by the SCRO.

2.6.19 *The Notes will be repaid if the Issuer fails to register the resolution to issue the Notes with the SCRO within the prescribed timeframe.*

The issue of the Notes must comply with certain procedural requirements laid down in the Swedish Companies Act (Sw: *aktiebolagslagen (2005:551)*). Under such Act, the Issuer must register with the SCRO its resolution to issue the Notes within six months of such resolution being made. If the Issuer fails to comply with this registration requirement or if the resolution for any other reason is not registered, the resolution to issue the Notes will cease to be valid and the Issuer will be obliged under the Swedish Companies Act (Sw: *aktiebolagslagen (2005:551)*) to repay any sums paid for subscribed Notes, together with interest according to the Swedish Interest Act (Sw: *räntelagen*). In addition, potential investors should note that it is unclear how such repayment would be practically operated.

An investor generally may not be able to reinvest the repaid sums at an effective interest rate as high as the interest rate on the Notes being repaid and may only be able to do so at a significantly lower interest rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

2.6.20 *Notes are not aggregated for the purposes of determining the number of Conversion Shares to be issued in respect of a Noteholder's holding in the Notes.*

If one or more Delivery Notices and relevant Notes are delivered by a Noteholder to the Settlement Shares Depository (as provided in Condition 5(d) (*Settlement Procedure*)) such that any Conversion Shares to be issued and delivered to such Noteholder following an Automatic Conversion are to be registered in the same name, the number of Conversion Shares to be issued and delivered in respect thereof shall be calculated on the basis of individual Notes and not on the basis of the aggregate principal amount of such Notes to be converted.

The number of Conversion Shares to be issued in respect of each Note shall be determined in accordance with the calculation in Condition 5(c) (*The Conversion Shares*) and such calculation shall be rounded down, if necessary, to the nearest whole number of Conversion Shares. Fractions of Conversion Shares will not be issued following an Automatic Conversion and no cash payment will be made in lieu thereof. There is therefore a risk that a Noteholder submitting more than one Delivery Notice may receive fewer Conversion Shares than it would otherwise have received had its holding in the Notes been aggregated (where the aggregate principal amount of a Noteholder's Notes would have qualified such Noteholder for additional Conversion Shares when calculated in accordance with Condition 5(c) (*The Conversion Shares*)).

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

If at any time a Capital Event or a Tax Event occurs or in order to ensure the effectiveness and enforceability of Condition 18(f) (*Acknowledgement of Swedish Statutory Loss Absorption Powers*), the Issuer may, subject to obtaining any requisite approval of the Swedish FSA (without any requirement for the consent or approval of the Noteholders) either substitute all (but not some only) of the Notes for Qualifying Additional Tier 1 Securities, or vary the terms of the Notes so that or provided that (as the case may be) they remain or, as appropriate, become, Qualifying Additional Tier 1 Securities as further provided in the Terms and Conditions of the Notes. The terms and conditions of such substituted or varied Notes may have terms and conditions that contain one or more provisions that are substantially different from the terms and conditions of the original Notes, provided that the Notes remain or, as appropriate, become, Qualifying Additional Tier 1 Securities in accordance with the Terms and Conditions of the Notes.

While the Issuer cannot make changes to the terms of the Notes that, in its reasonable opinion (following consultation with an investment bank or financial advisor of international standing which is independent of the Issuer and its Subsidiaries), are materially less favourable (other than in respect of (i) the enforceability of Condition 18(f) (*Acknowledgement of Swedish Statutory Loss Absorption Powers*) and (ii) ensuring compliance with the then current requirements of the Relevant Rules in relation to Additional Tier 1 Capital) to Noteholders as a class, no assurance can be given as to whether any of these changes will negatively affect any particular Noteholder. In addition, the tax and stamp duty consequences of holding such substituted or varied Notes could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding the Notes prior to such substitution or variation.

2.6.22 *Any failure by the Issuer and/or the Group to comply with its MREL requirement could result, among other things, in the imposition of restrictions or prohibitions on discretionary payments by the Issuer, including interest payments on the Notes.*

For a discussion as to how MREL requirements may affect Swedbank, see risk factor "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".

Under the BRRD, the applicable combined buffer requirements will be positioned above the relevant MREL requirement. An institution that does not comply with its MREL requirement, therefore, will need to use CET1 that previously counted towards meeting the combined buffer requirement to make up the shortfall. Accordingly, any failure by Swedbank to meet its MREL requirement could negatively impact its combined buffer requirement and result in, among other things, the imposition of restrictions or prohibitions on discretionary payments by the Issuer, including payments on the Notes and other Additional Tier 1 securities.

2.6.23 *Limitation on gross-up obligation under the Notes.*

The Issuer's obligation to pay additional amounts in respect of any withholding or deduction in respect of taxes under the terms of the Notes applies only to payments of interest due and paid under the Notes and not to payments of principal. As such, the Issuer would not be required to pay any additional amounts under the terms of the Notes to the extent any withholding or deduction applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under the Notes, Noteholders may receive less than the full amount due under the Notes, and the market value of the Notes may be adversely affected.

2.6.24 *No right of set-off, netting or counterclaim*

As further described in the Terms and Conditions of the Notes, no Noteholder 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 Noteholder.

2.7 *Risks Relating to the Market*

2.7.1 *The Secondary Market Generally.*

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

2.7.2 *Lack of Liquidity in the Secondary Market may Adversely Affect the Market Value of the Notes.*

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

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

2.7.3 Exchange Rate Risks and Exchange Controls.

The Issuer will pay principal and interest on the Notes in U.S. dollars. 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 U.S. dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of U.S. dollars 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 U.S. dollars 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.

2.7.4 Interest Rate Risks.

Notwithstanding that the rate of interest applicable to the Notes will be reset on the First Reset Date and on each Reset Date thereafter, an investment in the Notes involves the risk that subsequent changes in market interest rates during the Initial Period or, as the case may be, during a Reset Interest Period may adversely affect the value of the Notes. Following the First Reset Date, there is a risk that the rate of interest applicable to the Notes could be less than the Initial Rate of Interest or, as the case may be, the rate of interest applicable to the Notes may be less than the rate of interest applicable to the previous Reset Interest Period(s), which could affect the market value of an investment in the Notes.

In addition, a holder of securities with a fixed interest rate that will be periodically reset during the term of the relevant securities, such as the Notes, is also exposed to the risk of fluctuating interest rate levels and uncertain interest income.

2.7.5 Credit ratings may not reflect all risks.

The Notes are expected to be assigned the following ratings: BBB- by S&P; Ba1 by Moody's; and BBB+ 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 Notes. Rating agencies may change their rating methodologies, which could lead to a change in the credit ratings assigned to the Notes. Accordingly, a credit rating is not a recommendation to buy, sell or hold the 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 Notes.

2.7.6 English law judgments may not be directly enforceable in Sweden.

Following the end of the transition period for the withdrawal of the UK from the EU on 31 December 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.

2.8 General Risks Relating to Notes

2.8.1 *Modification, Waivers and Substitution.*

The Terms and Conditions of the Notes and the Agency Agreement contain provisions for convening meetings of Noteholders (including by audio or video conference call) to consider any matter affecting their interests generally. These provisions permit defined majorities to bind all Noteholders 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, subject to Condition 14(c) (*Relevant Regulator notice or permission*), the Notes and the Terms and Conditions may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree without the consent of the Noteholders to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

2.8.2 *Change of Law.*

The Terms and Conditions of the Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law, except for Condition 2 (*Status*) and any non-contractual obligations in relation thereto, any conversion of the Notes into Ordinary Shares and any Compulsory Acquisition Proceedings which shall be governed by Swedish law. No assurance can be given as to the impact of any possible judicial decision or change to English or Swedish law or administrative practice on or after the date of issue of the Notes and any such change could materially adversely impact the value of the Notes.

2.8.3 *Reliance on Euroclear and Clearstream, Luxembourg procedures.*

The Notes will be represented on issue by a Global Note that will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the Global Notes, investors will not be entitled to receive Notes in definitive form. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are in global form, investors will be able to trade their beneficial interests only through Euroclear or Clearstream, Luxembourg, as the case may be.

While the Notes are in global form, the Issuer will discharge its payment obligations under the Notes by making payments to a common depository. A holder of a beneficial interest in a Note must rely on the procedures of Euroclear and/or Clearstream, Luxembourg, as the case may be, 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 such a Global Note.

2.8.4 *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 Noteholders have no ability to require early repayment of their investment other than in very limited circumstances. Furthermore, although the Notes are transferable, the Notes may have no established trading market when issued, and one may

never develop. See “*The Secondary Market Generally*”. Further, the Notes do not enjoy any deposit protection.

The Notes are not deposit liabilities of the Issuer and are not insured by any governmental agency of Sweden or any other jurisdiction.

3 Information Incorporated by Reference

The following information shall be incorporated in, and forms part of, this Offering Circular:

- (1) the audited consolidated financial statements of the Issuer as at 31 December 2022 (including the auditors' report therein) contained in the annual report of the Issuer for the year ended 31 December 2022 which can be viewed online at <https://internetbank.swedbank.se/ConditionsEarchive/download?bankid=1111&id=WEBDOC-PRODE141563695>;
- (2) the audited consolidated financial statements of the Issuer as at 31 December 2021 (including the auditors' report therein) contained in the annual report of the Issuer for the year ended 31 December 2021 which can be viewed online at <https://internetbank.swedbank.se/ConditionsEarchive/download?bankid=1111&id=WEBDOC-PRODE109370778>; and
- (3) the unaudited financial information in the published unaudited interim report of the Issuer as at 31 December 2023 (including the auditors' review report therein) which can be viewed online at <https://internetbank.swedbank.se/ConditionsEarchive/download?bankid=1111&id=WEBDOC-PRODE169378832>.

Copies of documents incorporated by reference in this Offering Circular can be obtained, upon request and free of charge, from the registered office of the Issuer and from the specified office of the Fiscal Agent in London.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

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

The table below sets out the relevant page references for the consolidated financial statements, the notes and the auditor's reports in the Issuer's financial statements for 2022 and 2021 as set out in the respective annual reports:

2022 Financial Statements		Page reference
1	Consolidated Financial Statements	p.65-69
2	Notes to Consolidated Financial Statements	p.70-161
3	Auditor's Report ¹	p.241-247
2021 Financial Statements		
1	Consolidated Financial Statements	p.65-69
2	Notes to Consolidated Financial Statements	p.70-160
3	Auditor's Report ²	p.239-244

¹ For the avoidance of doubt, this Auditors' Report relates to the period from, and including, 1 January 2022 to, and including, 31 December 2022.

² For the avoidance of doubt, this Auditors' Report relates to the period from, and including, 1 January 2021 to, and including, 31 December 2021.

The table below sets out the relevant page references for the unaudited financial information of the Issuer, the notes and the auditor’s review report to the unaudited interim report for the period 1 January 2023 to 31 December 2023:

2023 Fourth Quarter Interim Financial Statements

1	Condensed Consolidated Financial Statements	p.19-23
2	Notes to Condensed Consolidated Financial Statements	p.24-55
3	Review Report	p.64

4 Terms and Conditions

The U.S.\$650,000,000 Fixed Rate Reset Additional Tier 1 Convertible Notes (the “Notes”, which expression shall in these terms and conditions (the “Conditions”), unless the context otherwise requires, include any further Notes issued pursuant to Condition 16 (*Further Issues*)) of Swedbank AB (publ), a company incorporated under the laws of the Kingdom of Sweden and having registration number 502017-7753 (the “Issuer”), are the subject of a fiscal agency agreement dated the Issue Date (such fiscal agency agreement, as modified and/or supplemented and/or restated from time to time, the “Agency Agreement”) between the Issuer, Citibank, N.A., London Branch as fiscal agent (the “Fiscal Agent”, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), Citibank, N.A., London Branch as the paying and conversion agent (the “Paying and Conversion Agent”, which expression includes any successor paying and conversion agents appointed from time to time in connection with the Notes), the paying agents named therein (the “Paying Agents”, which expression includes any successor paying agents appointed from time to time in connection with the Notes) and Citibank, N.A., London Branch as calculation agent (the “Calculation Agent”, which expression includes any successor calculation agent appointed from time to time in connection with the Notes). Certain provisions of these Conditions are summaries of the Agency Agreement and subject to its detailed provisions. The holders of the Notes (the “Noteholders”) and the holders of the related interest coupons (the “Couponholders” and the “Coupons”, respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement (i) are available for inspection by Noteholders during normal business hours at the Specified Offices (as defined in the Agency Agreement) of each of the Paying Agents, the initial Specified Offices of which are set out below or (ii) may be provided by email to a Noteholder (following a written request therefor by it) from the Fiscal Agent, subject in each case to the Noteholder providing evidence of its identity and its holding of Notes satisfactory to the Fiscal Agent.

1. Form, Denomination and Title

The Notes are serially numbered and in bearer form in the denomination of U.S.\$200,000 with Coupons and talons (each, a “Talon”) for further Coupons attached at the time of issue. Title to the Notes, the Coupons and the Talons will pass by delivery. The holder of any Note, Coupon or Talon shall (except as otherwise required by law) 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 other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder. No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

2. Status

Unless previously converted into Conversion Shares pursuant to Condition 5 (*Loss Absorption Mechanism*), the Notes constitute direct, unsecured, unguaranteed and subordinated debt obligations of the Issuer and further entail an obligation for the Noteholders to have their Notes converted into Ordinary Shares as set forth in Chapter 15 of the Swedish Companies Act (*Sw: aktiebolagslagen (2005:551)*) (the “Swedish Companies Act”) and in these Conditions.

In the event of the voluntary or involuntary liquidation (*Sw: likvidation*) (“Liquidation”) or bankruptcy (*Sw: konkurs*) (“Bankruptcy”) of the Issuer, the rights and claims (if any) of the Noteholders in respect of or arising from the Notes (including any accrued but uncanceled interest or damages awarded for breach of any obligations under these Conditions, if any are payable) shall rank:

- (A) junior in right of payments to the payment of any present or future claims of (a) depositors of the Issuer, (b) other unsubordinated creditors of the Issuer, and (c) subordinated creditors of the Issuer in respect of Subordinated Indebtedness other than Parity Securities and Junior Securities which comprise Subordinated Indebtedness;

- (B) *pari passu* without any preference among themselves;
- (C) at least *pari passu* with payments to holders of present or future outstanding Parity Securities; and
- (D) in priority to payments to holders of present or future outstanding Junior Securities,

subject, in all cases, to mandatory provisions of Swedish law, including but not limited to the Swedish implementation of Article 48(7) of the BRRD.

In the event of the Liquidation or Bankruptcy of the Issuer that occurs after the date on which a Trigger Event occurs but before the Registration Date, the rights and claims (if any) of the Noteholders in respect of their Notes shall be limited to such amount, if any, as would have been payable to Noteholders on a return of assets in such Liquidation or Bankruptcy of the Issuer if the Registration Date had occurred immediately before the occurrence of such Liquidation or Bankruptcy of the Issuer.

No right of set-off, netting or counterclaim

No Noteholder who shall in the event of the Liquidation or Bankruptcy of the Issuer 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 Noteholder. Notwithstanding the preceding sentence, if any of the amounts owing to any Noteholder by the Issuer in respect of, or arising under or in connection with, the Notes is discharged by set-off, netting or counterclaim, such Noteholder 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.

3. Interest

- (a) *Interest Rate:* The Notes bear interest from (and including) 13 February 2024 (the “Issue Date”) at the relevant Rate of Interest.
- (b) *Interest Payment Dates:* Interest will be payable in arrear on 17 March and 17 September in each year (each, an “Interest Payment Date”), and the first payment of interest shall be made on 17 September 2024 in respect of the period from (and including) the Issue Date to (but excluding) such Interest Payment Date, all subject as provided in Condition 4 (*Interest Cancellation*), Condition 5 (*Loss Absorption Mechanism*) and Condition 7 (*Payments*) below.
- (c) *Accrual of Interest:* Each Note will cease to bear interest from (and including) the due date for redemption pursuant to Condition 6 (*Redemption and Purchase*).
- (d) *Interest to (but excluding) the First Reset Date:* Subject as provided in Condition 4 (*Interest Cancellation*), Condition 5 (*Loss Absorption Mechanism*) and Condition 7 (*Payments*) below, for each Interest Period from (and including) the Issue Date to (but excluding) the First Reset Date, the amount of interest per Calculation Amount payable on:
 - (i) each Interest Payment Date (other than the first Interest Payment Date) will be U.S.\$7,750.00; and
 - (ii) the first Interest Payment Date will be U.S.\$9,213.89.

- (e) *Interest from (and including) the First Reset Date:* The rate of interest for each Interest Period from (and including) the First Reset Date will be equal to the sum of (i) the CMT Rate in respect of the Reset Interest Period in which such Interest Period falls and (ii) the Margin, all as determined by the Calculation Agent.
- (f) *Determination of CMT Rate in relation to a Reset Interest Period:* The Calculation Agent will, as soon as practicable on each Reset Rate of Interest Determination Date in relation to a Reset Interest Period, determine the CMT Rate for such Reset Interest Period and calculate the amount of interest payable per Calculation Amount on the Interest Payment Dates in relation to each Interest Period falling in such Reset Interest Period (each a “Reset Interest Amount”).
- (g) *Publication of CMT Rate and Reset Interest Amount:* With respect to each Reset Interest Period, the Calculation Agent will cause the relevant CMT Rate and the relevant Reset Interest Amount determined by it, together with the relevant Interest Payment Dates in relation to each Interest Period falling in such Reset Interest Period, to be notified to the Paying Agents and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but in any event not later than the relevant Reset Date. Notice thereof shall also promptly be given to the Noteholders in accordance with Condition 17 (*Notices*).
- (h) *Calculation of amount of interest per Calculation Amount:* Save as specified in Condition 3(d) (*Interest to (but excluding) the First Reset Date*), and subject as provided in Condition 4 (*Interest Cancellation*), Condition 5 (*Loss Absorption Mechanism*) and Condition 7 (*Payments*) below, the amount of interest payable in respect of the Calculation Amount (including, for the avoidance of doubt, the Reset Interest Amount) for any period shall be calculated by:
 - (i) applying the applicable Rate of Interest to the Calculation Amount;
 - (ii) multiplying the product thereof by the Day Count Fraction; and
 - (iii) rounding the resulting figure to the nearest cent (half a cent being rounded upwards).
- (i) *Calculation of amount of interest per Note:* Subject as provided in Condition 4 (*Interest Cancellation*), Condition 5 (*Loss Absorption Mechanism*) and Condition 7 (*Payments*) below, the amount of interest payable in respect of a Note shall be the product of:
 - (i) the amount of interest per Calculation Amount; and
 - (ii) the number by which the Calculation Amount is required to be multiplied to equal the denomination of such Note.
- (j) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

4. Interest Cancellation

- (a) *Discretionary Interest Payments:* Interest on the Notes is due and payable only at the sole and absolute discretion of the Issuer, and the Issuer shall have sole and absolute discretion at all times to cancel (in whole or in part) any interest payment that would otherwise be due and payable on any Interest Payment Date or other date. If the Issuer does not make an interest payment on the relevant Interest Payment Date or other date (or if the Issuer elects to make a payment of a portion, but not all, of such interest payment), such non-payment shall evidence the Issuer's exercise of its discretion to cancel such interest payment (or the portion of such interest payment not paid), and accordingly such interest payment (or the portion thereof not paid) (together with any Additional Amounts payable thereon pursuant to Condition 9 (*Taxation*), if applicable) shall be deemed to be cancelled and shall not be due and payable.

If the Issuer provides notice to cancel a portion, but not all, of an interest payment and the Issuer subsequently does not make a payment of the remaining portion of such interest payment on the relevant scheduled payment date, such non-payment shall evidence the Issuer's exercise of its discretion to cancel such remaining portion of the interest payment, and accordingly such remaining portion of the interest payment (together with any Additional Amounts payable thereon pursuant to Condition 9 (*Taxation*), if applicable) shall be deemed to be cancelled and shall also not be due and payable.

- (b) *Restriction on Interest Payments:* Payments of interest in respect of the Notes in any financial year of the Issuer shall be made only out of Distributable Items of the Issuer. To the extent that the Issuer has insufficient Distributable Items to make any payment of interest (together with any Additional Amounts payable thereon pursuant to Condition 9 (*Taxation*), if applicable) in respect of the Notes scheduled for payment in the then current financial year and any other interest payments or distributions paid and/or required and/or scheduled to be paid out of Distributable Items in such financial year in accordance with the Relevant Rules, in each case excluding any portion of such payments already accounted for in determining the Distributable Items of the Issuer, then the Issuer will, without prejudice to the right above to cancel all such payments of interest in respect of the Notes, make partial or, as the case may be, no such payment of interest in respect of the Notes.
- (c) *Effect of Interest Cancellation:* Interest will only be due and payable on a scheduled payment date to the extent it is not cancelled or deemed cancelled in accordance with Condition 4(a) (*Discretionary Interest Payments*) and Condition 4(b) (*Restriction on Interest Payments*) above. Any interest cancelled or deemed cancelled (in each case, in whole or in part) in such circumstances shall not accumulate and will not become due or payable at any time thereafter, nor shall any non-payment of such interest constitute an event of default under Condition 10 (*Winding-Up, Non-payment, Breach of Obligations, Remedies*), and Noteholders shall have no rights thereto or to receive any additional interest or compensation as a result of such cancellation or deemed cancellation. The Issuer may use such cancelled payments without restriction and the cancellation of such interest amounts will not impose any restrictions on the Issuer nor prevent or restrict the Issuer from declaring or making any distributions or interest payments on any of its shares or other instruments or to meet its obligations as they fall due.
- (d) *Notice of Interest Cancellation:* If practicable, the Issuer shall provide notice of any cancellation or deemed cancellation of interest (in whole or in part) to the Noteholders on or prior to the scheduled payment date. If practicable, the Issuer shall endeavour to provide such notice at least five (5) Business Days prior to the relevant scheduled payment date. Failure to provide such notice will not have any impact on the effectiveness of, or otherwise

invalidate, any such cancellation or deemed cancellation of interest, or give Noteholders any rights as a result of such failure or constitute a default for any purpose.

5. Loss Absorption Mechanism

(a) *Automatic Conversion Upon Trigger Event*

(i) *Automatic Conversion:* If a Trigger Event occurs at any time, then an Automatic Conversion will be deemed to have occurred immediately at such time (the date on which such Trigger Event occurs being the “Conversion Date”), and the Notes will be converted into Conversion Shares at the Conversion Price as provided in this Condition 5.

(ii) *Effect of Automatic Conversion:* From and including the Conversion Date:

(A) the principal amount of the Notes will be written down to zero and, accordingly, the principal amount of the Notes shall equal zero at all times thereafter;

(B) any interest in respect of an Interest Period ending on any Interest Payment Date falling on or after the Conversion Date shall be automatically cancelled and shall not be due and payable;

(C) no Noteholder will have any rights against the Issuer with respect to the repayment of the principal amount of the Notes or the payment of interest or any other amount on or in respect of such Notes, which obligations and liabilities of the Issuer shall be irrevocably and automatically released; and

(D) subject to the last paragraph of Condition 5(d) (*Settlement Procedure*), the Issuer’s only obligations and liabilities under the Notes shall be an obligation to deliver Conversion Shares to the Settlement Shares Depository on behalf of the Noteholders on the Registration Date in accordance with this Condition 5.

An Automatic Conversion shall not constitute an event of default or a breach of the Issuer’s obligations or duties under these Conditions or a failure to perform by the Issuer in any manner whatsoever and shall not entitle Noteholders to petition for the insolvency or dissolution of the Issuer or otherwise.

(iii) *No option to convert:* The Notes are not convertible into Conversion Shares at the option of the Noteholders or the Issuer at any time.

(b) *Automatic Conversion Procedure*

If an Automatic Conversion has occurred, the Issuer shall immediately inform the Relevant Regulator and shall deliver an Automatic Conversion Notice to the Noteholders in accordance with Condition 17 (*Notices*) and to the Fiscal Agent on or within five (5) Business Days after the occurrence of the Trigger Event (or within such shorter period as the Relevant Regulator may require).

Failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such Automatic Conversion, or give Noteholders any rights as a result of such failure.

(c) *The Conversion Shares*

The number of Conversion Shares which are to be issued in respect of each Note shall be determined by dividing the aggregate principal amount of such Note outstanding immediately prior to the Conversion Date by the Conversion Price rounded down, if necessary, to the nearest whole number of Conversion Shares. Fractions of Conversion Shares will not be issued following an Automatic Conversion and no cash payment will be made in lieu thereof.

The Conversion Shares resulting from an Automatic Conversion will be fully paid and non-assessable and will in all respects rank *pari passu* with all other Ordinary Shares in issue on the Registration Date, except in any such case for any right excluded by mandatory provisions of applicable law and except that the Conversion Shares so issued will not rank for the purposes of (or, as the case may be, the relevant Noteholder shall not be entitled to receive) any rights, the entitlement to which falls prior to the Conversion Date. The Conversion Shares will carry a right to dividends, distributions and rights having a record date that occurs on or after the registration of the Conversion Shares (whether in the form of interim shares or regular shares) with the Share Registrar (the date such registration occurs being the "Registration Date").

(d) *Settlement Procedure*

Subject to the last paragraph of this Condition 5(d), the obligation of the Issuer to issue and deliver Conversion Shares to a Noteholder shall be satisfied by the delivery of the Conversion Shares in respect of the Note(s) of such Noteholder to the Settlement Shares Depository on the Registration Date. Such delivery will be deemed to have occurred when the Conversion Shares are registered (whether as interim shares or regular shares) in the name of the Settlement Shares Depository by the Share Registrar. With effect on and from the Registration Date, a Noteholder shall have recourse only to the Settlement Shares Depository for the delivery of the number of Conversion Shares determined in respect of its Note(s) in accordance with Condition 5(c) (*The Conversion Shares*).

Delivery of the Conversion Shares by the Settlement Shares Depository to the Noteholders will be made solely by book-entry with the Share Registrar and no physical share certificate will be delivered to any Noteholder in respect of any Conversion Share. Such delivery to a Noteholder will be made in accordance with the following procedures:

- (i) on the Registration Date, the Issuer shall deliver (in accordance with the first paragraph of this Condition 5(d)) to the Settlement Shares Depository such number of Conversion Shares as is required to satisfy in full its obligation to deliver Conversion Shares on the Registration Date;
- (ii) following the delivery by the Issuer of an Automatic Conversion Notice, each Noteholder shall deliver a duly completed irrevocable Delivery Notice to the Paying and Conversion Agent at its specified office, together with its Notes, within the period of five (5) business days (in the relevant place of delivery) from (and including) the delivery of the Automatic Conversion Notice to the Noteholders in accordance with Condition 5(b) (*Automatic Conversion Procedure*) (the date on which such period expires being the "Notice Cut-off Date");
- (iii) the Paying and Conversion Agent shall give instructions to the Settlement Shares Depository for the relevant Conversion Shares to be delivered by the Settlement Shares Depository to each Noteholder on the Registration Date or as

soon as practicable thereafter in accordance with the instructions given in the relevant Delivery Notice, provided that such duly completed Delivery Notice and the relevant Notes have been so delivered to the Paying and Conversion Agent not later than the Notice Cut-off Date;

- (iv) any determination as to whether any Delivery Notice has been properly completed and delivered together with the relevant Note(s) as provided in these Conditions shall be made by the Settlement Shares Depositary in its sole discretion and shall be conclusive and binding on the relevant Noteholder; and
- (v) in the case of any Noteholder which fails to deliver a valid Delivery Notice prior to the Notice Cut-off Date (each, an "Affected Noteholder"), the relevant Conversion Shares shall, for a period of ten (10) Business Days from (and including) the Notice Cut-Off Date, continue to be held on trust (or other similar arrangement) by the Settlement Shares Depositary for such Noteholder until such Noteholder delivers a duly completed Delivery Notice and the relevant Note(s) and subject to Condition 5(e)(i) (*Entitlement to Conversion Shares or Cash Proceeds*) below. Following such ten (10) Business Day period, the Settlement Shares Depositary shall use its reasonable endeavours to sell the relevant Conversion Shares in the open market and it shall hold the cash proceeds (the "Cash Proceeds") received from such sale (after deduction of any costs or expenses incurred by it in relation thereto) on trust (or other similar arrangement) on behalf of the Affected Noteholder until such Affected Noteholder delivers a duly completed Delivery Notice, subject to a ten (10) year prescription period and subject to Condition 5(e)(i) (*Entitlement to Conversion Shares or Cash Proceeds*) below.

For so long as the Conversion Shares are held by the Settlement Shares Depositary on behalf of each Noteholder, the Settlement Shares Depositary, subject to applicable laws, shall also hold any Cash Dividends and any other dividends or rights distributed to all other Shareholders as a class in respect of such Conversion Shares on trust (or other similar arrangement) for such Noteholder. The Settlement Shares Depositary shall use its reasonable endeavours to sell any such rights in the open market before expiry and it shall hold the cash proceeds received from such sale (after deduction of any costs or expenses incurred by it in relation thereto) on trust (or other similar arrangement) on behalf of each Noteholder. Cash Dividend(s) (and other dividends or rights or proceeds therefrom) shall be paid to the relevant Noteholder in accordance with the instructions given in the relevant Delivery Notice.

If the Issuer has been unable to appoint a Settlement Shares Depositary prior to the last date on which it is permitted to deliver the Automatic Conversion Notice, it shall make such other arrangements for the issuance and/or delivery of the Conversion Shares to the Noteholders as it shall consider reasonable in the circumstances, which may include issuing the Conversion Shares to the Noteholders directly, which issuance shall irrevocably and automatically release all of the Issuer's obligations under the Notes as if the Conversion Shares had been issued to the Settlement Shares Depositary. In such circumstances, the Issuer will specify details about the relevant arrangements in the Automatic Conversion Notice.

- (e) *Entitlement to Conversion Shares or Cash Proceeds*
 - (i) Any Affected Noteholder delivering a Delivery Notice after the Notice Cut-off Date will have to provide evidence of its entitlement to the relevant Conversion Shares or Cash Proceeds (as the case may be) satisfactory to the Settlement

Shares Depositary in its sole and absolute discretion in order to receive delivery of such Conversion Shares or Cash Proceeds (as the case may be).

- (ii) Neither the Settlement Shares Depositary nor the Issuer shall have any liability to any Noteholder for any loss resulting from such Noteholder not receiving any Conversion Shares (or Cash Proceeds) or from any delay in the receipt thereof, in each case as a result of such Noteholder failing to duly submit a Delivery Notice and the relevant Notes, if applicable, on a timely basis or at all.
- (iii) Neither the Issuer nor the Settlement Shares Depositary shall have any liability in respect of the sale of any Conversion Shares or rights, whether for the timing of any such sale or the price at or manner in which any such Conversion Shares or rights are sold or the inability to sell any such Conversion Shares or rights.

(f) *Taxes*

Neither the Issuer, nor any of its Subsidiaries shall be liable for any stamp duty, stamp duty reserve tax, or any other capital, issue, transfer, registration, financial transaction or documentary tax that may arise or be paid as a consequence of the delivery of Conversion Shares, which tax shall be borne solely by the Noteholder.

(g) *Adjustment of Floor Price*

Upon the happening of any of the events described below, the Floor Price shall be adjusted as follows, provided always that the Floor Price shall not be less than the quota value (*Sw: kvotvärde*) of the Ordinary Shares immediately prior to Automatic Conversion translated into USD at the then Prevailing Exchange Rate:

- (i) If and whenever there shall be a consolidation (*Sw: sammanläggning*), reclassification (*Sw: omvandling*) or subdivision (*Sw: uppdelning*) in relation to the Ordinary Shares which alters the number of Ordinary Shares in issue, the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to such consolidation, reclassification or subdivision by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of Ordinary Shares in issue immediately before such consolidation, reclassification or subdivision, as the case may be; and

B is the aggregate number of Ordinary Shares in issue immediately after, and as a result of, such consolidation, reclassification or subdivision, as the case may be.

Such adjustment shall become effective on the date the consolidation, reclassification or subdivision, as the case may be, takes effect.

- (ii) If and whenever the Issuer shall issue any Ordinary Shares to Shareholders as a class credited as fully paid by way of capitalisation of profits or reserves (*Sw: fondemission*) (including any share premium account or capital redemption

reserve), the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to such issue by the following fraction:

$$\frac{A}{B}$$

where:

- A is the aggregate number of Ordinary Shares in issue immediately before such issue; and
- B is the aggregate number of Ordinary Shares in issue immediately after such issue.

Such adjustment shall become effective on the date of issue of such Ordinary Shares.

- (iii) If and whenever the Issuer shall issue Ordinary Shares to all or substantially all Shareholders as a class by way of rights, or the Issuer or any of its Subsidiaries or (at the direction or request or pursuant to arrangements with the Issuer or any of its Subsidiaries) any other company, person or entity shall issue or grant to Shareholders as a class by way of rights, any options, warrants or other rights to subscribe for or purchase Ordinary Shares, or any Securities which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, any Ordinary Shares (or shall grant any such rights in respect of existing Securities so issued), in each case at a price per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share on the relevant Effective Date, the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to the relevant Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Ordinary Shares in issue on the relevant Effective Date;
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares issued by way of rights, or for the Securities issued by way of rights, or for the options or warrants or other rights issued by way of rights and for the total number of Ordinary Shares deliverable on the exercise thereof, would purchase at such Current Market Price per Ordinary Share on the relevant Effective Date; and
- C is the number of Ordinary Shares to be issued or, as the case may be, the maximum number of Ordinary Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights or upon conversion or exchange or exercise of rights of subscription or purchase in respect thereof at the initial conversion, exchange, subscription or purchase price or rate,

provided that if, on the relevant Effective Date, such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time, then for the purposes of this Condition 5(g)(iii), "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the relevant Effective Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the relevant Effective Date.

Such adjustment shall become effective on the relevant Effective Date.

- (iv) If and whenever the Issuer shall pay any Adjustable Extraordinary Dividend to Shareholders, the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to the Effective Date of such Adjustable Extraordinary Dividend by the following fraction:

$$\frac{A - B}{A - C}$$

where:

- A is the Current Market Price of one Ordinary Share on such Effective Date;
- B is the portion of the Fair Market Value of the aggregate Adjustable Extraordinary Dividend attributable to one Ordinary Share, with such portion being determined by dividing the Fair Market Value of the aggregate Adjustable Extraordinary Dividend by the number of Ordinary Shares entitled to receive the Adjustable Extraordinary Dividend; and
- C is equal to (A) (i) the amount (if any) by which the Maximum Available Amount (on the Effective Date of the Adjustable Extraordinary Dividend) for the Relevant Financial Year in relation to the Adjustable Extraordinary Dividend exceeds an amount equal to the aggregate of the Fair Market Values of any other Extraordinary Dividends (x) the Effective Date of which occurred prior to the Effective Date of the Adjustable Extraordinary Dividend and (y) the Relevant Financial Year in relation to which is the Relevant Financial Year for the Adjustable Extraordinary Dividend, or (ii) where no Effective Date has previously occurred in respect of any such other Extraordinary Dividends, such Maximum Available Amount, divided by (B) the number of Ordinary Shares entitled to receive the Adjustable Extraordinary Dividend (provided that "C" shall be equal to zero if the aggregate of the Fair Market Values of such previous Extraordinary Dividends is equal to, or exceeds, such Maximum Available Amount).

Such adjustment shall become effective on the Effective Date of the Adjustable Extraordinary Dividend or, if later, the first date upon which the Fair Market Value of the Adjustable Extraordinary Dividend can be determined.

For the purposes of Condition (iv) and the definition of "Adjustable Extraordinary Dividend", Fair Market Value of any Extraordinary Dividend shall (subject as provided in the definition

of "Fair Market Value") be determined as at the Effective Date of such Extraordinary Dividend.

Notwithstanding the foregoing provisions:

- (A) where the events or circumstances giving rise to any adjustment pursuant to this Condition 5(g) have already resulted or will result in an adjustment to the Floor Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Floor Price or where more than one event which gives rise to an adjustment to the Floor Price occurs within such a short period of time that, in the opinion of the Issuer, a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be determined in good faith by an Independent Adviser to be in its opinion appropriate to give the intended result;
- (B) such modification shall be made to the operation of these Conditions as may be determined in good faith by an Independent Adviser to be in its opinion appropriate (i) to ensure that an adjustment to the Floor Price or the economic effect thereof shall not be taken into account more than once, (ii) to reflect a redenomination of the issued Ordinary Shares for the time being into a new currency, and (iii) in respect of any adjustment pursuant to Condition 5(g)(iv) only, to reflect (a) any consolidation, reclassification or sub-division of any Ordinary Shares; (b) the issue of Ordinary Shares by way of capitalisation of profits or reserves (or any like or similar event); or (c) any increase in the number of Ordinary Shares in issue in the relevant year in question; and
- (C) for the avoidance of doubt, the issue of Ordinary Shares upon an Automatic Conversion or upon any conversion or exchange in respect of any other Securities or the exercise of any other options, warrants or other rights shall not result in an adjustment to the Floor Price.

(h) *Determination of Consideration Receivable*

For the purpose of any calculation of the consideration receivable or price pursuant to Condition 5(g)(iii) (*Adjustment of Floor Price*), the following provisions shall apply:

- (i) the aggregate consideration receivable or price for Ordinary Shares issued for cash shall be the amount of such cash;
- (ii) (x) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the conversion or exchange of any Securities shall be deemed to be the consideration or price received or receivable for any such Securities and (y) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the exercise of rights of subscription attached to any Securities or upon the exercise of any options, warrants or rights shall be deemed to be that part (which may be the whole) of the consideration or price received or receivable for such Securities or, as the case may be, for such options, warrants or rights which are attributed by the Issuer to such rights of subscription or, as the case may be, such options, warrants or rights or, if no part of such consideration or price is so attributed, the Fair Market Value of such rights of subscription or, as the case may be, such options, warrants or rights as at the relevant Effective Date, plus in the case of

each of (x) and (y) above, the additional minimum consideration receivable or price (if any) upon the conversion or exchange of such Securities, or upon the exercise of such rights of subscription attached thereto or, as the case may be, upon exercise of such options, warrants or rights and (z) the consideration receivable or price per Ordinary Share upon the conversion or exchange of, or upon the exercise of such rights of subscription attached to, such Securities or, as the case may be, upon the exercise of such options, warrants or rights shall be the aggregate consideration or price referred to in (x) or (y) above (as the case may be) divided by the number of Ordinary Shares to be issued upon such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate;

- (iii) if the consideration or price determined pursuant to (i) or (ii) above (or any component thereof) shall be expressed in a currency other than the Relevant Currency, it shall be translated into the Relevant Currency at the Prevailing Exchange Rate on the relevant Effective Date (in the case of (i) above) or the relevant date of first public announcement (in the case of (ii) above);
- (iv) in determining the consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant Ordinary Shares or Securities or options, warrants or rights, or otherwise in connection therewith; and
- (v) the consideration or price shall be determined as provided above on the basis of the consideration or price received, receivable, paid or payable, regardless of whether all or part thereof is received, receivable, paid or payable by or to the Issuer or another entity.

(i) *Decision of an Independent Adviser*

If any doubt shall arise as to whether an adjustment shall be made to the Floor Price or as to the appropriate adjustment to the Floor Price, the Issuer may at its discretion appoint an Independent Adviser and, following consultation between the Issuer and such Independent Adviser, a written opinion of such Independent Adviser in respect thereof shall be conclusive and binding on the Issuer and the Noteholders, save in the case of manifest error.

(j) *Share Option Schemes, Dividend Reinvestment Plans*

No adjustment will be made to the Floor Price where Ordinary Shares or other Securities (including rights, warrants and options) are issued, offered, exercised, allotted, purchased, appropriated, modified or granted to, or for the benefit of, employees or former employees (including directors holding or formerly holding executive office or the personal service company of any such person) or their spouses or relatives, in each case, of the Issuer or any of its Subsidiaries or any associated company or to a trustee or trustees to be held for the benefit of any such person, in any such case pursuant to any share or option scheme.

(k) *Rounding Down and Notice of Adjustment to the Floor Price*

On any adjustment, if the resultant Floor Price has more decimal places than the initial Floor Price, it shall be rounded to the same number of decimal places as the initial Floor Price. No adjustment shall be made to the Floor Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Floor Price then in effect. Any adjustment not required to be made, and/or any amount by which the Floor Price has been

rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.

Notice of any adjustments to the Floor Price shall be given by the Issuer to Noteholders promptly after the determination thereof in accordance with Condition 17 (*Notices*) and to the Paying and Conversion Agent.

The Floor Price shall not in any event be reduced to below the quota value (*Sw: kvotvärde*) of an Ordinary Share for the time being. The Issuer undertakes that it shall not take any action, and shall procure that no action is taken, that would otherwise result in an adjustment to the Floor Price to below the quota value (*Sw: kvotvärde*) of the Ordinary Shares immediately prior to Automatic Conversion translated into USD at the then Prevailing Exchange Rate.

6. Redemption and Purchase

- (a) *No scheduled redemption:* The Notes are perpetual securities and have no fixed date for redemption. The Issuer shall (subject to Condition 2 (*Status*) and Condition 10 (*Winding-Up, Non-payment, Breach of Obligations, Remedies*) and without prejudice to the provisions of Condition 11 (*Prescription*)) only have the right to redeem or repurchase the Notes in the circumstances described herein. The Notes are not redeemable at the option of the Noteholders at any time.
- (b) *Redemption for Capital Event:* Subject to Condition 6(e) (*Conditions to Redemption*), Condition 6(f) (*Notice for redemption*) and Condition 6(g) (*Trigger Event*), if a Capital Event occurs, the Issuer may, at its option, at any time redeem the Notes, in whole but not in part, at their principal amount, together with any accrued but unpaid interest (which excludes any interest cancelled or deemed cancelled in accordance with Condition 4 (*Interest Cancellation*)) to (but excluding) the date fixed for redemption.
- (c) *Redemption for Tax Event:* Subject to Condition 6(e) (*Conditions to Redemption*), Condition 6(f) (*Notice for redemption*) and Condition 6(g) (*Trigger Event*), if a Tax Event occurs, the Issuer may, at its option, at any time redeem the Notes, in whole but not in part, at their principal amount, together with any accrued but unpaid interest (which excludes any interest cancelled or deemed cancelled in accordance with Condition 4 (*Interest Cancellation*)) to (but excluding) the date fixed for redemption.
- (d) *Redemption at the option of the Issuer:* Subject to Condition 6(e) (*Conditions to Redemption*), Condition 6(f) (*Notice for redemption*) and Condition 6(g) (*Trigger Event*), the Issuer may, at its option, redeem the Notes, in whole but not in part, on any Optional Redemption Date at their principal amount, together with any accrued but unpaid interest (which excludes any interest cancelled or deemed cancelled in accordance with Condition 4 (*Interest Cancellation*)) to (but excluding) the date fixed for redemption.
- (e) *Conditions to Redemption:* Notwithstanding any other provision, the Issuer may redeem the Notes (and give notice thereof to the Noteholders) as provided in Condition 6(b) (*Redemption for Capital Event*), 6(c) (*Redemption for Tax Event*) or 6(d) (*Redemption at the option of the Issuer*), as the case may be, only if:
 - (i) it has obtained the prior permission of the Relevant Regulator for the redemption of the Notes; and

- (ii) in the case of any redemption prior to the fifth anniversary of the Reference Date, (if required by the Relevant Rules), (A) in the case of redemption upon the occurrence of a Tax Event, the Issuer has demonstrated to the satisfaction of the Relevant Regulator that the applicable change in tax treatment is material and was not reasonably foreseeable as at the Reference Date, or (B) in the case of redemption upon the occurrence of a Capital Event, the Issuer has demonstrated to the satisfaction of the Relevant Regulator that the relevant change was not reasonably foreseeable as at the Reference Date.
- (f) *Notice for redemption:* any redemption of the Notes shall be subject to the Issuer providing not less than five (5) days' nor more than thirty (30) days' prior notice to the Noteholders in accordance with Condition 17 (*Notices*) and to the Fiscal Agent (such notice being irrevocable except in the limited circumstances set out in Condition 6(g) (*Trigger Event*)) specifying the Issuer's election to redeem the Notes and the date fixed for such redemption, *provided however* that where there has been a Tax Event due to the occurrence of an event falling under limb (A) of that definition, no such notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay any Additional Amounts (as defined below).
- (g) *Trigger Event:* If:
 - (A) prior to the payment of the redemption amount with respect to such redemption a Trigger Event occurs, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect, no payment of the relevant redemption amount will be due and payable and an Automatic Conversion shall occur in accordance with Condition 5 (*Loss Absorption Mechanism*); or
 - (B) the Issuer has given notice of its intention to substitute or vary the terms of the Notes in accordance with Condition 15 (*Substitution or Variation instead of Redemption*) but prior to such substitution or variation, as the case may be, a Trigger Event occurs, the relevant substitution or variation notice shall be automatically rescinded and shall be of no force and effect and an Automatic Conversion shall occur in accordance with Condition 5 (*Loss Absorption Mechanism*).
- (h) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 6(b) (*Redemption for Capital Event*) to 6(d) (*Redemption at the option of the Issuer*) above.
- (i) *Purchase:* The Issuer or any of its Subsidiaries may purchase Notes in the open market or otherwise and at any price, *provided that* all unmatured Coupons and unexchanged Talons are purchased therewith and that such purchase shall be subject to the Relevant Rules in force at the relevant time and to the prior permission of the Relevant Regulator (if such permission is required by the Relevant Rules) and to applicable law and regulation.
- (j) *Cancellation:* Subject to all applicable laws and regulations, all Notes redeemed or purchased by the Issuer or any of its Subsidiaries pursuant to this Condition 6 and any unmatured Coupons or unexchanged Talons attached to or surrendered with them may be cancelled and may not be reissued or resold.

7. Payments

- (a) *Principal:* Save as provided in Condition 7(c) (*Payments in New York City*) below, payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the

United States by U.S. dollar cheque drawn on, or by transfer to a U.S. dollar account maintained by the payee with, a bank in New York City.

- (b) *Interest: Save as provided in Condition 7(c) (Payments in New York City) below, payments of interest shall, subject to Condition 7(g) (Payments other than in respect of matured Coupons) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 7(a) (Principal) above.*
- (c) *Payments in New York City: Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in U.S. dollars when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law without involving, in the opinion of the Issuer, adverse tax consequences.*
- (d) *Payments subject to fiscal laws: All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9 (Taxation). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.*
- (e) *Unmatured Coupons void: On the due date for redemption of any Note pursuant to Condition 6(b) (Redemption for Capital Event), Condition 6(c) (Redemption for Tax Event), Condition 6(d) (Redemption at the option of the Issuer) or Condition 10 (Winding-Up, Non-payment, Breach of Obligations, Remedies), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.*
- (f) *Payments on Payment Business Days: If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.*
- (g) *Payments other than in respect of matured Coupons: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by Condition 7(c) (Payments in New York City) above).*
- (h) *Partial payments: If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and the date of such payment.*
- (i) *Exchange of Talons: On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a coupon sheet relating to the Notes (each, a "Coupon Sheet"), the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet including a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 11 (Prescription). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.*

8. Undertakings

So long as any Note remains outstanding, the Issuer will, save with the approval of an Extraordinary Resolution:

- (a) not make any issue, grant or distribution or take or omit to take any other action if the effect thereof would be that, upon Automatic Conversion, Conversion Shares could not, under any applicable law then in effect, be legally issued as fully paid;
- (b) deliver Conversion Shares upon Automatic Conversion, subject to and as provided in Condition 5 (*Loss Absorption Mechanism*);
- (c) use all reasonable endeavours to ensure that its issued and outstanding Ordinary Shares and Conversion Shares, as the case may be, will be admitted to listing and trading on the Relevant Stock Exchange;
- (d) at all times ensure there is sufficient registered authorised share capital to enable Automatic Conversion, and all rights of subscription and exchange for Ordinary Shares, to be satisfied in full;
- (e) as soon as reasonably practicable (and not later than one month following the occurrence of a Trigger Event) (i) request and procure the registration of the Conversion Shares with the SCRO, and (ii) request and procure the registration of the Conversion Shares with the Share Registrar; and
- (f) where the provisions of Condition 5 (*Loss Absorption Mechanism*) require or provide for a determination by an Independent Adviser or a role to be performed by a Settlement Shares Depository, the Issuer shall use all reasonable endeavours promptly to appoint such person for such purpose.

9. Taxation

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall (subject always to Condition 4 (*Interest Cancellation*), Condition 5 (*Loss Absorption Mechanism*) and Condition 6(e) (*Conditions to Redemption*)) be made free and clear of, and 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 shall (subject as aforesaid) pay in respect of payments of interest (but not principal or any other amount), such additional amounts ("Additional Amounts") as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Amounts shall be payable in respect of any Note:

- (a) held by a Noteholder or by a third party on behalf of a Noteholder, which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with the Kingdom of Sweden other than the mere holding of the Note; or
- (b) where (in the case of a payment of interest on redemption) the relevant Note is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Noteholder would have been entitled to any Additional Amounts if it had surrendered the relevant Note on the last day of such period of 30 days; or

- (c) held by a Noteholder, or by a third party on behalf of a Noteholder who is able to avoid such withholding or deduction by making a declaration of non-residence or residence or other similar claim for exemption to the relevant tax authority.

If the Issuer becomes subject at any time to any taxing jurisdiction other than or in addition to the Kingdom of Sweden, references in these Conditions to the Kingdom of Sweden shall be construed as references to the Kingdom of Sweden and/or such other jurisdiction.

Notwithstanding anything to the contrary contained herein, any amounts to be paid on the Notes by or on behalf of the Issuer 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.

10. Winding-Up, Non-payment, Breach of Obligations, Remedies

- (a) *Winding-up:* If a Winding-up Event occurs before the occurrence of a Trigger Event, the Notes will become immediately due and payable at their principal amount, but subject to the Noteholders only being able to claim payment in respect of the Notes in the Bankruptcy or Liquidation of the Issuer.

A "Winding-up Event" with respect to the Notes shall result if a court in the Kingdom of Sweden shall have resolved to declare the Bankruptcy of the Issuer or if a duly convened shareholders meeting of the Issuer or the SCRO or the Relevant Regulator or a court in the Kingdom of Sweden (having jurisdiction in respect of the same) shall have declared the Issuer to enter into Liquidation or if any similar event under applicable laws from time to time having the same effect shall have occurred.

For the avoidance of doubt, a 'resolution' or 'moratorium' under the BRRD will not constitute a Winding-up Event.

- (b) *Non-payment:* No interest will be due and payable if such interest has been cancelled or is deemed cancelled (in each case, in whole or in part) as provided in Condition 4 (*Interest Cancellation*). Accordingly, no default in payment under the Notes will have occurred or be deemed to have occurred in such circumstances.

If the Issuer fails to pay any other amount that has become due and payable under the Notes pursuant to Condition 6(b) (*Redemption for Capital Event*), Condition 6(c) (*Redemption for Tax Event*) or Condition 6(d) (*Redemption at the option of the Issuer*) (redemption under each such condition being subject to Condition 6(e) (*Conditions to Redemption*), Condition 6(f) (*Notice for redemption*), and Condition 6(g) (*Trigger Event*)) and such failure continues for fourteen (14) days, each Noteholder may, subject to the Swedish Bankruptcy Act (1987:672) institute proceedings in the Kingdom of Sweden (or such other jurisdiction in which the Issuer may be organised) (but not elsewhere) for the Issuer to be declared bankrupt and/or prove or claim in the Bankruptcy or Liquidation of the Issuer.

- (c) *Limited remedies for breach of obligations (other than non-payment):* In addition to the remedies for non-payment provided above, a Noteholder may institute such proceedings against the Issuer as it may think fit to enforce any term, obligation or condition binding on the Issuer under the Notes (other than any payment obligation of the Issuer under or arising

from the Notes, including payment of any principal or interest (including Additional Amounts) and any damages awarded for breach of any obligations) and in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it pursuant to these Conditions. The Noteholders shall not enforce, and shall not be entitled to enforce or otherwise claim, against the Issuer any judgment or other award given in such proceedings that requires the payment of money by the Issuer, whether by way of damages or otherwise, except if a Winding-Up Event occurs by claiming in a Liquidation and/or Bankruptcy of the Issuer in the circumstances provided in Condition 10(a) (*Winding-up*).

- (d) *No other remedies:* Other than the limited remedies specified in this Condition 10 or proving in the Liquidation and/or Bankruptcy of the Issuer, no remedy against the Issuer shall be available to the Noteholders 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 other obligations under or in respect of such Notes.

11. Prescription

Claims arising, to the extent permitted, for principal shall become void unless the relevant Notes are presented for payment within ten (10) years of the appropriate Relevant Date. Claims arising, to the extent permitted, for interest shall become void unless the relevant Coupons are presented for payment within five (5) years of the appropriate Relevant Date.

12. Replacement of Notes, Coupons and Talons

If any Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

13. Paying Agents

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents, the Paying and Conversion Agent and the Calculation Agent act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed in the Agency Agreement. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent, the Paying and Conversion Agent or the Calculation Agent and to appoint a successor fiscal agent, paying and conversion agent, calculation agent and additional or successor paying agents; *provided, however, that* the Issuer shall at all times maintain a fiscal agent, a paying and conversion agent and a calculation agent.

Notice of any change in any of the Paying Agents, the Paying and Conversion Agent or the Calculation Agent or in their Specified Offices shall promptly be given to the Noteholders.

14. Meetings of Noteholders; Modification

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders (including by audio or video conference call) to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any

such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders 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 outstanding Notes or, at any adjourned meeting, one or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; provided, however, that certain proposals (including any proposal to change any interest payment date 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, to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution and to modify any provisions of Condition 5 (*Loss Absorption Mechanism*) (each, a "Reserved Matter")) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more persons holding or representing not less than three-quarters or, at any adjourned meeting, 25 per cent. of the aggregate principal amount of the outstanding Notes form a quorum.

In addition, a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. 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 Noteholders.

Any Extraordinary Resolution duly passed at any meeting of Noteholders or in writing shall be binding on all the Noteholders, whether or not they are present at the meeting or voting in favour or, as the case may be, whether or not signing the resolution in writing.

- (b) *Modification*: Subject to Condition 14(c) (*Relevant Regulator notice or permission*), the Notes and these Conditions may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree without the consent of the Noteholders to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.
- (c) *Relevant Regulator notice or permission*: These Conditions shall only be capable of modification or waiver, if the Issuer has notified the Relevant Regulator of such modification or waiver or obtained the prior permission of the Relevant Regulator, as the case may be, (if such notice or permission is required by the Relevant Rules).

15. Substitution or Variation instead of Redemption

If at any time a Capital Event or a Tax Event occurs or in order to ensure the effectiveness and enforceability of Condition 18(f) (*Acknowledgement of Swedish Statutory Loss Absorption Powers*), the Issuer may, (in the case of a Capital Event or a Tax Event occurring) instead of giving notice to redeem in accordance with Conditions 6(b) (*Redemption for Capital Event*) or 6(c) (*Redemption for Tax Event*) respectively, but solely to the extent permitted at any time by the Relevant Rules and subject to having obtained any requisite approval of the Relevant Regulator, (without any requirement for the consent or approval of the Noteholders) and having given not less than thirty (30) nor more than sixty (60) days' notice to the Fiscal Agent and, in accordance with these Conditions, the Noteholders (which notice shall be irrevocable except in the limited circumstances

set out in Condition 6(g) (*Trigger Event*)), at any time either substitute and replace all (but not some only) of the Notes for Qualifying Additional Tier 1 Securities, or vary the terms of the Notes so that or provided that (as the case may be) they remain or, as appropriate, so that they become, Qualifying Additional Tier 1 Securities and provided in each case that such substitution or variation does not itself give rise to any right of the Issuer to redeem the substituted or varied securities that is inconsistent with the redemption provisions of the Notes and provided that, in the case of a substitution, the Notes will be fully replaced by the Qualifying Additional Tier 1 Securities and all rights under the Notes, including the right to receive Conversion Shares upon Automatic Conversion, shall be cancelled.

16. Further Issues

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the amount and date of the first payment of interest on them and the date from which interest starts to accrue) so as to form a single series with the Notes.

17. Notices

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

18. Governing Law and Jurisdiction; Acknowledgement of Swedish Statutory Loss Absorption Powers

- (a) *Governing law:* The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law, except that the provisions of Condition 2 (*Status*) and all non-contractual obligations arising out of or in connection with Condition 2 (*Status*), the conversion (if any) of the Notes into Conversion Shares and any Compulsory Acquisition Proceedings are governed by, and shall be construed in accordance with, the laws of Sweden.
- (b) *English courts:* The Issuer agrees for the benefit of the Noteholders that the courts of England shall have exclusive jurisdiction to settle any dispute (a "Dispute") arising out of or in connection with the Notes (including a dispute regarding any non-contractual obligation arising out of or in connection with the Notes), except for any Compulsory Acquisition Proceedings which shall be determined in accordance with Chapter 22 of the Swedish Companies Act.
- (c) *Appropriate forum:* The Issuer agrees that the courts referred to in Condition 18(b) (*English courts*) 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 Noteholders to take proceedings outside England:* Condition 18(b) (*English courts*) is for the benefit of the Noteholders only. As a result, nothing in this Condition 18 prevents any Noteholder from taking proceedings relating to a Dispute ("Proceedings") in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.
- (e) *Service of Process:* 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 to Business Sweden, The Swedish Trade & Invest Council

at its office at 5 Upper Montagu Street, London W1H 2AG or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer may specify by notice in writing to the Noteholders. Nothing in this paragraph shall affect the right of any Noteholder 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 Noteholder (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 (or any interest therein), each Noteholder acknowledges and accepts that any liability arising under the Notes (including the Relevant Amounts) 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:
- (1) 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:
 - (A) the reduction of all, or a portion, of the Relevant Amounts in respect of the Notes;
 - (B) 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 Noteholder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Notes;
 - (C) the cancellation of the Notes or the Relevant Amounts in respect of the Notes; and
 - (D) the amendment or alteration of the perpetual nature of the Notes or 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
 - (2) 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 exercise of 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 17 (*Notices*) 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.

19. Interpretation

- (a) *Definitions*

In these Conditions, the following expressions have the following meanings:

“Accounting Currency” means SEK or such other primary currency used in the presentation of either the Issuer or the Group’s accounts (as the case may be) from time to time;

“Additional Tier 1 Capital” means additional tier 1 capital (or any successor term) for the purposes of the Relevant Rules;

“Adjustable Extraordinary Dividend” means any Extraordinary Dividend (the “Relevant Dividend”) if (i) the Fair Market Value of the Relevant Dividend, or (ii) the sum of (A) the Fair Market Value of the Relevant Dividend and (B) an amount equal to the aggregate of the Fair Market Value or Fair Market Values of any other Extraordinary Dividend or Extraordinary Dividends (x) the Effective Date of which occurred prior to the Effective Date of the Relevant Dividend and (y) the Relevant Financial Year in relation to which is the Relevant Financial Year in relation to the Relevant Dividend, exceeds the Maximum Available Amount (on the Effective Date of the Relevant Dividend) for such Relevant Financial Year;

“Automatic Conversion” means the automatic conversion of the Notes into the Conversion Shares at the Conversion Price, in accordance with Condition 5 (*Loss Absorption Mechanism*);

“Automatic Conversion Notice” means the written notice to be delivered by the Issuer to the Noteholders in accordance with Condition 17 (*Notices*) specifying (i) that a Trigger Event has occurred, (ii) the CET1 Ratio as at the relevant time, (iii) the Conversion Date and the expected Registration Date, (iv) the Conversion Price then prevailing and (v) instructions for Noteholders to receive the relevant Conversion Shares from the Settlement Shares Depository as described in Condition 5(d) (*Settlement Procedure*) or, if the Issuer has been unable to appoint the Settlement Shares Depository, the other arrangements for the Noteholders to receive the relevant Conversion Shares as referred to in the last paragraph of Condition 5(d) (*Settlement Procedure*);

“Bloomberg Screen” means page H15T5Y on the Bloomberg L.P. service or any successor service or such other page as may replace that page on that service for the purpose of displaying “treasury constant maturities” as reported in H.15;

“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;

“Business Day” means a day on which commercial banks and foreign exchange markets settle payments in U.S. dollars in London and New York City;

“Calculation Amount” means U.S.\$200,000;

“Calculation Period” means the relevant period for which interest is to be calculated from (and including) the first day in such period to (but excluding) the last day in such period;

“Capital Event” means the determination by the Issuer, after consultation with the Relevant Regulator, that by reason of non-compliance of the Notes with the criteria for Additional Tier 1 Capital as a result of change in the Relevant Rules or any change in the official application or interpretation thereof becoming effective on or after the Reference Date, the Notes are fully or partially excluded from the Additional Tier 1 Capital of the Issuer or the Group (other than as a result of any applicable limitation on the amount of such capital), such determination to be confirmed by the Issuer to the Fiscal Agent in a certificate signed by two directors or other authorised signatories of the Issuer;

“Cash Dividend” means any dividend or distribution in respect of the Ordinary Shares which is to be paid or made to Shareholders as a class in cash (in whatever currency) and however described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to Shareholders upon or in connection with a reduction of capital;

“CET1 Capital” means in respect of either the Issuer or the Group (as the case may be), the sum at any time, expressed in the relevant Accounting Currency, of all amounts that constitute common equity tier 1 capital of either the Issuer or the Group (as the case may be) as at such time, less any deductions from common equity tier 1 capital required to be made as at such time, in each case as calculated by the Issuer in accordance with the Relevant Rules applicable to either the Issuer or the Group (as the case may be) (which calculation shall be binding on the Noteholders). For the purposes of this definition, the term “common equity tier 1 capital” shall have the meaning assigned to such term in CRD as interpreted and applied in accordance with the Relevant Rules then applicable to either the Issuer or the Group (as the case may be);

“CET1 Ratio” means, as at any time, the ratio of CET1 Capital of the Issuer or the Group, as applicable, as at such time to the Risk Exposure Amount of the Issuer or the Group, as applicable, as at the same time, expressed as a percentage and calculated in accordance with the Relevant Rules then applicable to either the Issuer or the Group (as the case may be) and without regards to the Automatic Conversion that shall occur at such time in case of a Trigger Event;

“CMT Rate” means, in relation to a Reset Interest Period and the Reset Rate of Interest Determination Date in relation to such Reset Interest Period, the rate determined by the Calculation Agent and expressed as a percentage equal to:

- (a) the yield for United States Treasury Securities at “constant maturity” for a designated maturity of five years, as published in the H.15 under the caption “treasury constant maturities (nominal)”, as that yield is displayed on such Reset Rate of Interest Determination Date, on the Bloomberg Screen; or
- (b) if the yield referred to in paragraph (a) above is not published by 4:00 p.m. (New York City time) on the Bloomberg Screen on such Reset Rate of Interest Determination Date, the yield for the United States Treasury Securities at “constant maturity” for a designated maturity of five years as published in the H.15 under the caption “treasury constant maturities (nominal)” on such Reset Rate of Interest 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 by 4:30 p.m. (New York City time) on such Reset Rate of Interest Determination Date, the Reset Reference Bank Rate on such Reset Rate of Interest Determination Date;

“Compulsory Acquisition Proceedings” means any proceedings for the compulsory acquisition of the Notes pursuant to Chapter 22 of the Swedish Companies Act;

“Conversion Date” means the date on which an Automatic Conversion takes place, as set out in Condition 5(a)(i) (*Automatic Conversion*);

“Conversion Price” means, if the Ordinary Shares are:

- (a) then admitted to trading on a Relevant Stock Exchange, the greater of:
 - (i) the Current Market Price of an Ordinary Share on the Conversion Date translated into USD at the then Prevailing Exchange Rate; and

- (ii) the Floor Price on the Conversion Date; or
- (b) not then admitted to trading on a Relevant Stock Exchange, the Floor Price on the Conversion Date;

“Conversion Shares” means the Ordinary Shares which are issued automatically upon an Automatic Conversion;

“Couponholders” means the holders of the Coupons;

“Coupons” has the meaning given to such term in the preamble to these Conditions;

“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 and which prescribe (alone or in conjunction with any other rules or regulations) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Issuer (on a non-consolidated or consolidated basis) to the extent required by the CRD 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;

“Current Market Price” means, in respect of an Ordinary Share at a particular date, the average of the daily Volume Weighted Average Price of an Ordinary Share on each of the five consecutive dealing days ending on the dealing day immediately preceding such date; provided that, if at any time during the said five (5) dealing-day period the Volume Weighted Average Price shall have been based on a price ex-dividend (or ex- any other entitlement) and during some other part of that period the Volume Weighted Average Price shall have been based on a price cum-dividend (or cum- any other entitlement), then:

- (i) if the Ordinary Shares to be issued and delivered do not rank for the Cash Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price cum-dividend (or cum- any other

entitlement) shall, for the purposes of this definition, be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such dividend or entitlement per Ordinary Share as at the date of first public announcement relating to such dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit; or

- (ii) if the Ordinary Shares to be issued and delivered do rank for the Cash Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price ex-dividend (or ex- any other entitlement) shall, for the purposes of this definition, be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of any such dividend or entitlement per Ordinary Share as at the date of first public announcement relating to such dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit,

and provided further that:

- (1) if on each of the said five dealing days the Volume Weighted Average Price shall have been based on a price cum-dividend (or cum- any other entitlement) in respect of a dividend (or other entitlement) which has been declared or announced but the Ordinary Shares to be issued and delivered do not rank for that dividend (or other entitlement), the Volume Weighted Average Price on each of such dates shall, for the purposes of this definition, be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such dividend or entitlement per Ordinary Share as at the date of first public announcement relating to such dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit; and
- (2) if the Volume Weighted Average Price of an Ordinary Share is not available on one or more of the said five (5) dealing days (disregarding for this purpose the proviso to the definition of Volume Weighted Average Price), then the average of such Volume Weighted Average Prices which are available in that five (5) dealing-day period shall be used (subject to a minimum of two such prices) and if only one, or no, such Volume Weighted Average Price is available in the relevant period, the Current Market Price shall be determined in good faith by an Independent Adviser;

“Day Count Fraction” means, in respect of any Calculation Period, the number of days in the relevant Calculation Period divided by 360 calculated on a formula basis as follows:

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

where:

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

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

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

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

“D1” is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

“dealing day” means a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is open for business and on which Ordinary Shares, Securities, options, warrants or other rights (as the case may be) may be dealt in (other than a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is scheduled to or does close prior to its regular weekday closing time);

“Deferred Dividend” means any Cash Dividend that is expressly declared by the Issuer to be a deferred or delayed dividend or distribution or any analogous or similar term due to any restriction, prohibition or recommendation (other than pursuant to any restrictions under the Relevant Rules) by the competent authority on the Group in respect of any previous financial year(s);

“Delivery Notice” means a notice in the form for the time being currently available from the specified office of the Paying and Conversion Agent, which contains the relevant accounts and related details for the delivery of any Conversion Shares (and for the payment of any Cash Dividend and Cash Proceeds as provided in Condition 5(d) (*Settlement Procedure*)) and all relevant certifications and/or representations as may be required by applicable law and regulations (or is deemed to constitute the confirmation thereof), and which are required to be delivered in connection with the delivery of the Conversion Shares and/or payment of any Cash Dividend and Cash Proceeds;

“Distributable Items” shall have the meaning assigned to such term in CRR as interpreted and applied in accordance with the Relevant Rules then applicable to the Issuer;

“Effective Date” means:

- (i) in the case of an adjustment to the Floor Price pursuant to Condition 5(g)(iii) (*Adjustment of Floor Price*), the first day on which the Ordinary Shares are traded ex-rights, ex-options or ex-warrants on the Relevant Stock Exchange; and
- (ii) in the case of an adjustment to the Floor Price pursuant to Condition 5(g)(iv) (*Adjustment of Floor Price*) and for the purpose of the definition of “Adjustable Extraordinary Dividend”, the first date on which the Ordinary Shares are traded ex-the relevant Extraordinary Dividend on the Relevant Stock Exchange;

“Extraordinary Dividend” means any Cash Dividend which is expressed by the Issuer or declared by the board of directors of the Issuer to be a capital distribution, extraordinary dividend, extraordinary distribution, special dividend, special distribution or return of value to Shareholders (including any distribution made as a result of any capital reduction) or any analogous or similar term, provided that any Deferred Dividend shall not be an Extraordinary Dividend;

“Extraordinary Resolution” has the meaning given to such term in the Agency Agreement;

“Fair Market Value” means with respect to any property on any date, the fair market value of that property as determined by an Independent Adviser in good faith, provided that (i) the Fair Market Value of a Cash Dividend shall be the amount of such Cash Dividend; (ii) the Fair Market Value of any other cash amount shall be the amount of such cash; (iii) where Securities, options, warrants or

other rights are publicly traded on a stock exchange or securities market of adequate liquidity (as determined in good faith by an Independent Adviser), the Fair Market Value (a) of such Securities shall equal the arithmetic mean of the daily Volume Weighted Average Prices of such Securities and (b) of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights, in the case of (a) and (b), during the period of five dealing days on the relevant stock exchange or securities market commencing on such date (or, if later, the first such dealing day such Securities, options, warrants or other rights are publicly traded) or such shorter period as such Securities, options, warrants or other rights are publicly traded; (iv) where Securities, options, warrants or other rights are not publicly traded on a stock exchange or securities market of adequate liquidity (as aforesaid), the Fair Market Value of such Securities, options, warrants or other rights shall be determined in good faith by an Independent Adviser, on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per Ordinary Share, the dividend yield of an Ordinary Share, the volatility of such market price, prevailing interest rates and the terms of such Securities, options, warrants or other rights, including as to the expiry date and exercise price (if any) thereof. Such amounts shall, in the case of (i) above, be translated into the Relevant Currency (if declared, announced, made, paid or payable in a currency other than the Relevant Currency, and if the relevant dividend is payable at the option of the Issuer or a Shareholder in any currency additional to the Relevant Currency, the relevant dividend shall be treated as payable in the Relevant Currency) at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid or are entitled to be paid the Cash Dividend in the Relevant Currency; and, in any other case, shall be translated into the Relevant Currency (if expressed in a currency other than the Relevant Currency) at the Prevailing Exchange Rate on that date. In addition, in the case of (i) and (ii) above, the Fair Market Value shall be determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit;

“First Reset Date” means 17 September 2030;

“Floor Price” means U.S.\$13.36, subject to adjustment thereafter in accordance with Condition 5(g) (*Adjustment of Floor Price*), provided that the Floor Price shall not be less than the quota value (*Sw: kvotvärde*) of the Ordinary Shares immediately prior to the Automatic Conversion translated into USD at the then Prevailing Exchange Rate;

“Group” means the Issuer and its subsidiaries on a consolidated basis, where “on a consolidated basis” has the meaning assigned to such term in CRR as interpreted and applied in accordance with the Relevant Rules then applicable to the Issuer;

“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;

“Independent Adviser” means an independent financial institution of international repute appointed by the Issuer at its own expense;

“Initial Period” means the period beginning on (and including) the Issue Date and ending on (but excluding) the First Reset Date;

“Initial Rate of Interest” means 7.750 per cent. per annum;

“Interest Payment Date” has the meaning given to such term in Condition 3(b) (*Interest Payment Dates*);

“Interest Period” means each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

“Issue Date” has the meaning given to such term in Condition 3(a) (*Interest Rate*);

“Junior Securities” means (i) all classes of ordinary shares of the Issuer and (ii) any securities or other obligations of the Issuer ranking, or expressed to rank, junior to the Notes;

“Margin” means 3.657 per cent.;

“Maximum Available Amount” means, on any date and for any Relevant Financial Year, (i) the aggregate of 100% of the Group’s net results from continuing and discontinued operations (before minority interests) in respect of such Relevant Financial Year minus (ii) any Cash Dividend or Cash Dividends that has or have been declared, paid or made (as at such date) in respect of (or in respect of any part of) such Relevant Financial Year, provided that any Extraordinary Dividend and/or Deferred Dividend shall not be so deducted;

“Optional Redemption Date” means (i) any time in the six months prior to and including the First Reset Date and (ii) any Interest Payment Date thereafter;

“Ordinary Shares” means fully paid ordinary shares in the capital of the Issuer;

“Parity Securities” means (i) any subordinated and undated debt instruments or securities of the Issuer which are recognised, from time to time, as Additional Tier 1 Capital of the Issuer by the Relevant Regulator and (ii) any securities or other obligations of the Issuer which rank, or are expressed to rank, on a Liquidation or Bankruptcy of the Issuer, *pari passu* with the Notes;

“Payment Business Day” means, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a U.S. dollar account as referred to above, on which dealings in foreign currencies may be carried on both in New York City and in such place of presentation;

“Person” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“Prevailing Exchange Rate” means, in respect of any currencies on any day, the spot rate of exchange between the relevant currencies prevailing as at or about 12 noon (CET or CEST, as the case may be) on that date as appearing on or derived from the Relevant Screen Page or, if such a rate cannot be determined at such time, the rate prevailing as at or about 12 noon (CET or CEST, as the case may be) on the immediately preceding day on which such rate can be so determined or, if such rate cannot be so determined by reference to the Relevant Screen Page, the rate determined in such other manner as an Independent Adviser shall in good faith prescribe;

“Qualifying Additional Tier 1 Securities” means notes, whether debt, equity, interests in limited partnerships or otherwise, issued directly or indirectly by the Issuer that:

- (a) (other than in respect of (i) the effectiveness and enforceability of Condition 18(f) (*Acknowledgement of Swedish Statutory Loss Absorption Powers*) and (ii) paragraph (4) below) have terms which are not materially less favourable to a Noteholder, as reasonably determined by the Issuer following consultation with an investment bank or financial adviser of international standing which is independent of the Issuer and its Subsidiaries, than the terms of the Notes, provided that they shall (1) include a ranking at least equal to that of the Notes prior to such substitution or variation, as the case may be, (2) have the same interest rate and Interest Payment Dates as those from time to time applying to the Notes prior to such substitution or variation, as the case may be, (3) have the same redemption rights and obligations as the Notes prior to such substitution or variation, as

the case may be, (4) comply with the then current requirements of the Relevant Rules in relation to Additional Tier 1 Capital, (5) preserve any existing rights under the Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation (or, if the date of substitution or variation falls before 17 September 2024, the Issue Date), as the case may be (but subject always to the right of the Issuer subsequently to cancel such accrued and unpaid interest in accordance with the terms of the Notes), and (6) are assigned (or maintain) at least the same solicited credit ratings (if any) as were assigned to the Notes (i) immediately prior to such substitution or variation or (ii) where a solicited credit rating of the Notes was, as a result of Condition 18(f) (*Acknowledgement of Swedish Statutory Loss Absorption Powers*) becoming ineffective and/or enforceable, amended prior to such substitution or variation, the solicited credit rating of the Notes immediately prior to such amendment, as the case may be; and

- (b) are listed on a recognised stock exchange if the Notes were so listed immediately prior to such substitution or variation;

“Rate of Interest” means:

- (i) in the case of each Interest Period falling in the Initial Period, the Initial Rate of Interest; and
- (ii) in the case of each Interest Period thereafter, the sum of (A) the CMT Rate in respect of the Reset Interest Period in which such Interest Period falls and (B) the Margin,

all as determined by the Calculation Agent (in conjunction with the Issuer, where applicable) in accordance with Condition 3 (*Interest*);

“Reference Bank Rate Quotation” means, in relation to a Reset Reference Bank and a Reset Rate of Interest Determination Date, the rate, as determined by the Calculation Agent, as being a yield-to-maturity based on the arithmetic mean of the secondary market bid prices of the Reset Reference Banks for the Reset United States Treasury Security at approximately 4:30 p.m. (New York City time) on such Reset Rate of Interest Determination Date;

“Reference Date” means the later of (i) the Issue Date and (ii) the latest date (if any) on which any further Notes have been issued pursuant to Condition 16 (*Further Issues*);

“Registration Date” has the meaning given to such term in Condition 5(c) (*The Conversion Shares*);

“Relevant Amounts” means the outstanding principal amount of the Notes, together with any accrued but unpaid interest and Additional Amounts 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 Currency” means the currency in which the which the Ordinary Shares are quoted or dealt in on the Relevant Stock Exchange at such time;

“Relevant Date” means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received in New York City by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders in accordance with Condition 17 (*Notices*);

“Relevant Financial Year” means, in relation to any Extraordinary Dividend, the most recently completed financial year of the Group for which audited financial statements are available on the date on which such Extraordinary Dividend is declared;

“Relevant Regulator” means the Swedish Financial Supervisory Authority (*Sw: Finansinspektionen*) or any competent authority or successor entity with primary responsibility for the regulatory supervision of the Issuer;

“Relevant Resolution Authority” means the resolution authority with the ability to exercise any Swedish Statutory Loss Absorption Powers in relation to the Issuer;

“Relevant Rules” means at any time the laws, regulations, requirements, standards, guidelines and policies relating to capital adequacy and prudential (including resolution) supervision then in effect in Sweden including, without limitation to the generality of the foregoing, CRD and those regulations, requirements, standard, guidelines and policies relating to capital adequacy and prudential (including resolution) supervision and adopted by the Relevant Regulator from time to time and then in effect (whether or not such requirements, standards, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer and/or the Group);

“Relevant Screen Page” means the relevant page on the Bloomberg L.P. service or any successor service that displays the relevant information;

“Relevant Stock Exchange” means Nasdaq Stockholm or, if at the relevant time the Ordinary Shares are not at that time listed and admitted to trading on Nasdaq Stockholm, the principal stock exchange or securities market (if any) on which the Ordinary Shares are then listed, admitted to trading or quoted or accepted for dealing;

“Reset Date” means the First Reset Date and each day which falls on the fifth anniversary of the immediately preceding Reset Date;

“Reset Interest Amount” has the meaning given to such term in Condition 3(f) (*Determination of CMT Rate in relation to a Reset Interest Period*);

“Reset Interest Period” means each period from (and including) the First Reset Date or any Reset Date and ending on (but excluding) the next Reset Date;

“Reset Rate of Interest Determination Date” means, in relation to a Reset Interest Period, the day falling two U.S. Government Securities Business Days prior to the Reset Date on which such Reset Interest Period commences;

“Reset Reference Bank Rate” means, in relation to a Reset Interest Period and the Reset Rate of Interest Determination Date in relation to such Reset Interest 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 Bank Rate Quotations provided by the Reset Reference Banks to the Calculation Agent at approximately 4:30 p.m. (New York City time) on the Business Day following such Reset Rate of Interest Determination Date.

If at least three such quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean (rounded as aforesaid) of the 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 quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean (rounded as aforesaid) of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the quotation provided. If no quotations are provided, the Reset Reference Bank Rate for the relevant Reset Interest Period will be (i) in the case of each Reset Interest Period other than the Reset Interest Period commencing on the First Reset Date, the relevant CMT Rate in respect of the immediately preceding Reset Interest Period or (ii) in the case of the Reset Interest Period commencing on the First Reset Date, 4.13 per cent. per annum;

“Reset Reference Banks” means five major banks which are primary U.S. Treasury securities dealers or market makers in pricing corporate bond issues determined in USD, as selected by the Issuer on the advice of an investment bank of international repute;

“Reset United States Treasury Security” means, on the Reset Rate of Interest Determination Date, the United States Treasury Security selected by the Issuer:

- (i) with an original term to maturity upon issue of approximately five years and a remaining term to maturity of not less than four years; and
- (ii) which is in a principal amount equal to at least U.S.\$1,000,000,000;

“Risk Exposure Amount” means, as at any time, the aggregate amount, expressed in the relevant Accounting Currency, of the risk weighted assets of either the Issuer or the Group (as the case may be), as at such time, as calculated by the Issuer in accordance with the Relevant Rules applicable to either the Issuer and/or the Group (as the case may be), at such time (which calculation shall be binding on the Noteholders). For the purposes of this definition, the term “risk weighted assets” means the risk weighted assets or total risk exposure amount, as calculated by the Issuer, in accordance with the Relevant Rules applicable to either the Issuer and/or the Group (as the case may be) and for the avoidance of doubt shall exclude the Basel 1 transitional calculation calculated in accordance with Article 500(1) of the CRR;

“SCRO” means the Swedish Companies Registration Office (*Sw: Bolagsverket*) or such other person or authority that is responsible for registering any changes in the share capital of the Issuer;

“Securities” means any securities including, without limitation, shares in the capital of the Issuer, or options, warrants or other rights to subscribe for or purchase or acquire shares in the capital of the Issuer (and each a “Security”);

“SEK” means the lawful currency of the Kingdom of Sweden;

“Settlement Shares Depository” means a reputable independent financial institution, trust company, account manager, nominee entity, depository entity, or similar entity to be appointed by the Issuer on or prior to any date when a function ascribed to the Settlement Shares Depository in these Conditions is required to be performed to perform such functions and who will hold Conversion Shares (whether in the form of interim shares or regular shares) in a designated trust or custody account for the benefit of the Noteholders and otherwise on terms consistent with these Conditions;

“Shareholders” means the holders of Ordinary Shares;

“Share Registrar” means Euroclear Sweden AB or any other person appointed by the Issuer to carry out the duties of registrar for the Ordinary Shares, and any successor thereto;

“Subordinated Indebtedness” means any obligation, whether dated or perpetual/undated, of the Issuer which by its terms is, or is expressed to be, subordinated in the event of Liquidation or Bankruptcy of the Issuer to the claims of depositors and all other unsubordinated creditors of the Issuer;

“Subsidiaries” has the meaning provided in the Swedish Companies Act;

“Swedish Companies Act” means the Swedish companies act (*Sw: aktiebolagslagen (2005:551)*);

“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);

“Talon” has the meaning given to such term in Condition 1 (*Form, Denomination and Title*);

“Tax Event” means the receipt by the Issuer of an opinion of counsel in the Kingdom of Sweden (experienced in such matters) to the effect that as a result of a Tax Law Change which is announced on or after the Reference Date:

- (A) on the occasion of the next scheduled interest payment in respect of the Notes the Issuer would be required to pay Additional Amounts as provided in Condition 9 (*Taxation*); or
- (B) (i) the Issuer is, or will be, subject to other additional taxes, duties or other governmental charges or civil liabilities with respect to the Notes or (ii) to the extent (prior to the relevant Tax Law Change) the Issuer was entitled to claim a deduction in respect of the Notes in computing its taxation liabilities, the Issuer is not, or will not be, entitled to claim a deduction in respect of the Notes in computing its taxation liabilities (or such deduction would be materially reduced) or (iii) 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, thereby subjecting the Issuer to additional taxes, duties or other governmental charges to which it would not have been subject but for the Tax Law Change;

“Tax Law Change” means:

- (i) any governmental policy or any amendment to, clarification of, or change in, the laws, treaties, regulations or government policy of the Kingdom of Sweden or any political subdivision or taxing authority thereof or therein, or
- (ii) any interpretation, court decision or official pronouncement in respect of any governmental policy, law, treaty or regulation of the Kingdom of Sweden or any political subdivision or taxing authority thereof or therein, that provides for a position with respect to such policy, law, treaty or regulation that differs from the theretofore generally accepted position,

in each case, by any legislative body, court, governmental or tax authority or regulatory body, irrespective of the manner in which such policy, change, decision, amendment, clarification, interpretation or pronouncement is made known;

“Trigger Event” shall occur if the CET1 Ratio of either the (i) Issuer or (ii) the Group, as the case may be, is at any time less than the Trigger Level, as determined at any time by the Issuer, the Relevant Regulator or any agent appointed for such purpose by the Issuer or the Relevant Regulator, as the case may be, and such determination shall be binding on the Noteholders;

“Trigger Level” means (i) in the case of the Issuer, 5.125 per cent. or (ii) in the case of the Group 8.00 per cent.;

“United States Treasury Securities” means securities that are direct obligations of the United States Treasury, issued other than on a discount rate basis;

“U.S. Government Securities Business Day” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed

income departments of its members be closed for the entire day for purposes of trading in U.S. government securities;

“USD” or “U.S.\$” means United States dollars; and

“Volume Weighted Average Price” means, in respect of an Ordinary Share or Security on any dealing day, the order book volume-weighted average price of an Ordinary Share or Security published by or derived (in the case of an Ordinary Share) from the relevant Bloomberg page or (in the case of a Security (other than Ordinary Shares), options, warrants or other rights) from the principal stock exchange or securities market on which such Securities, options, warrants or other rights are then listed or quoted or dealt in, if any or, in any such case, such other source as shall be determined in good faith to be appropriate by an Independent Adviser on such dealing day, provided that if on any such dealing day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an Ordinary Share, Security, option, warrant or other right, as the case may be, in respect of such dealing day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding dealing day on which the same can be so determined or determined as an Independent Adviser might otherwise determine in good faith to be appropriate.

(b) *Construction of certain references*

In these Conditions, unless otherwise specified or unless the context otherwise requires:

- (i) “Notes” and “Noteholders” shall respectively be deemed to include references to Coupons and Couponholders, if relevant;
- (ii) references to Coupons shall be deemed to include references to Talons;
- (iii) any reference to principal shall be deemed to include any amount in the nature of principal payable pursuant to these Conditions;
- (iv) any reference to interest shall be deemed to include any Additional Amounts in respect of interest which may be payable under Condition 9 (*Taxation*) and any other amount in the nature of interest pursuant to these Conditions;
- (v) references to Notes being “outstanding” shall be construed in accordance with the Agency Agreement;
- (vi) references to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment; and
- (vii) headings and sub-headings are for ease of reference only and shall not affect the construction of these Conditions.

5 Use of Proceeds

The issue of Notes will form part of the Issuer's capital base and the net proceeds of the issue of the Notes will be applied by the Issuer to meet part of its general financing requirements.

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

Words and expressions defined in “Terms and Conditions of the Notes” herein shall have the same meanings in this “Summary of the Provisions relating to the Notes while in Global Form”.

The following is a summary of the provisions to be contained in the Temporary Global Note and the Permanent Global Note (together, the “Global Notes”) which will apply to, and in some cases modify, the Terms and Conditions of the Notes while the Notes are represented by the Global Notes.

1. Exchange

The Notes will initially be in the form of the Temporary Global Note which will be deposited on or around the Issue Date with a common depository for Euroclear and Clearstream, Luxembourg. Interests in the Temporary Global Note will be exchangeable, in whole or in part, for interests in the Permanent Global Note (which will also be deposited on or around the Issue Date with a common depository for Euroclear and Clearstream, Luxembourg) on or after the Exchange Date, upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in the Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of the Permanent Global Note, duly authenticated, to the bearer of the Temporary Global Note or (in the case of any subsequent exchange of a part of the Temporary Global Note) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and
- (ii) in either case, receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership,

within seven days of the bearer requesting such exchange.

The Permanent Global Note will be exchangeable in whole but not in part (free of charge to the holder) for definitive Notes only:

- (a) if an event as set out in Condition 10 (*Winding-Up, Non-payment, Breach of Obligations, Remedies*) has occurred and is continuing;
- (b) if 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; or
- (c) 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.

Thereupon (in the case of (a) and (b) above) the holder of the Permanent Global Note (acting on the instructions of one or more of the Accountholders (as defined below)) may give notice to the Issuer and (in the case of (c) above) the Issuer may give notice to the Fiscal Agent and the Noteholders, of

its intention to exchange the Permanent Global Note for definitive Notes on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of the Permanent Global Note may or, in the case of (c) above, shall surrender the Permanent Global Note to or to the order of the Fiscal Agent. In exchange for the Permanent Global Note the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Agency Agreement. On exchange of the Permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant definitive Notes.

For these purposes, "Exchange Date" means a day specified in the notice requiring exchange falling not less than 45 days after that on which such notice is given and being a day on which banks are open for general business in the place in which the specified office of the Fiscal Agent is located and, except in the case of exchange pursuant to (b) above, in the place in which the relevant clearing system is located.

2. Payments

On and after 24 March 2024, no payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. Payments of principal and interest in respect of Notes represented by a Global Note will, subject as set out below, be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of such Global Note to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purposes. A record of each payment made will be endorsed on the appropriate part of the schedule to the relevant Global Note by or on behalf of the Fiscal Agent, which endorsement shall be prima facie evidence that such payment has been made in respect of the Notes. Payments of interest on the Temporary Global Note (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

3. Notices

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relative Accountholders (as defined below) rather than by publication as required by Condition 17 (*Notices*), provided that the Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or the relevant authority on which the Notes are for the time being listed. Any such notice shall be deemed to have been given to the Noteholders on the second day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

For the purposes of Condition 5(b) (*Automatic Conversion Procedure*), the Automatic Conversion Notice shall be deemed to have been given on the date on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg.

Whilst any of the Notes held by a Noteholder are represented by a Global Note, notices to be given by such Noteholder may be given by such Noteholder (where applicable) through Euroclear and/or Clearstream, Luxembourg and otherwise in such manner as the Fiscal Agent and Euroclear and Clearstream, Luxembourg may approve for this purpose.

4. Accountholders

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (each an "Accountholder") (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of such Notes for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders and giving notices to the Issuer pursuant to Condition 10 (*Winding-Up, Non-payment, Breach of Obligations, Remedies*)) other than with respect to the payment of principal and interest on such principal amount of such Notes, the right to which shall be vested, as against the Issuer, solely in the bearer of the relevant Global Note in accordance with and subject to its terms. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

5. Prescription

Claims against the Issuer in respect of principal and interest on the Notes represented by a Global Note will be prescribed after ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 19 (*Interpretation*)).

6. Cancellation

Cancellation of any Note represented by a Global Note and required by the Terms and Conditions of the Notes to be cancelled following its redemption or purchase will be effected by endorsement by or on behalf of the Fiscal Agent of the reduction in the principal amount of the relevant Global Note on the relevant part of the schedule thereto.

7. Delivery Notices

Notwithstanding the provisions of Condition 5 (*Loss Absorption Mechanism*), if the Notes are represented by the Global Note and held through Euroclear or Clearstream, Luxembourg, the Noteholder shall give a Delivery Notice to the Settlement Shares Depository in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg prior to the Notice Cut-off Date (which may include notice being given on its instruction by Euroclear or Clearstream, Luxembourg or any common depository for them to the Settlement Shares Depository by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time with the following details: (1) the name of the Noteholder; (2) the principal amount of Notes held by it; (3) the Euroclear Sweden account details; and (4) such other details as Euroclear or Clearstream, Luxembourg may require. Any reference in the Terms and Conditions of the Notes to the delivery of Delivery Notices shall be construed accordingly.

8. Euroclear and Clearstream, Luxembourg

Notes represented by a Global Note are transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as appropriate. References in the Global Notes and this summary to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system through which interests in the Notes are held.

7 Swedbank

7.1 Overview

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

As of 31 December 2023, the Group served a total of over seven million private customers and 555,000 corporate customers and organisations through approximately 400 branches (compared to 400 in 2022), 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 2023, two branches were closed in Sweden in order to consolidate the operations of those branches with other branches in Sweden.

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 2023 derived from its Swedish banking services. As of 31 December 2023, the Group's loans to the public, excluding the SNDO and repurchase agreements, amounted to SEK 1,782 billion. The Group recorded SEK 48,957 million in profit before impairments, Swedish bank tax and resolution fees for the year ended 31 December 2023 and SEK 31,211 million in profit before impairments, the Swedish bank tax and resolution fees for the year ended 31 December 2022. Credit impairments for the year ended 31 December 2023 amounted to SEK 1,674 million. Net profit attributable to the shareholders of Swedbank for the year ended 31 December 2023 amounted to SEK 34,128 million and SEK 21,365 million for the year ended 31 December 2022. As of 31 December 2023, the Group had 17,275 full-time employees. As of 31 December 2023, the Group had a return on equity ("ROE") of 18.3 per cent., a cost/income ratio of 0.33 and a liquidity coverage ratio ("LCR") of 172 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, Corporates & Institutions ("C&I") and Group Functions & Other.

	31 December	31 December
	2023	2022
<u>Loans to customers, SEKbn*</u>		
Loans, private mortgage	1,033	1,031
of which Swedish Banking	913	916
of which Baltic Banking	120	115
Loans, private other incl tenant-owner associations	142	146
of which Swedish Banking	27	45

	31 December	31 December
<u>Loans to customers, SEKbn*</u>	2023	2022
of which Baltic Banking	24	21
of which C&I	92	80
Loans, corporate	606	621
of which Swedish Banking	130	140
of which Baltic Banking	110	100
of which C&I	366	380
of which Group Functions and Other	1	1
Total	1,782	1,799

*excluding the Swedish National Debt Office and repurchase agreements.

7.2 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.

7.2.1 *A financially sound and sustainable society*

Swedbank takes its role as a major player in the financial market very seriously. Conducting sustainable business and promoting economically, socially and environmentally sustainable development influences everything it does. Swedbank also has a major responsibility to facilitate the green transition and reduce its own impact on the climate.

7.2.2 *Customer satisfaction and brand trust*

Swedbank creates customer value by providing its 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.

7.2.3 *24/7 availability*

It is Swedbank's goal to always be there to help its customers when they need it. Swedbank continuously works to maintain a stable infrastructure and reliable digital performance to ensure that products and services are available when needed.

7.2.4 *Engaged employees*

Engaged and proud employees create a better customer experience and therefore more satisfied customers. Swedbank's ambition is to be an attractive employer by offering healthy, sustainable working conditions together with an inclusive work environment that reflects its values.

7.2.5 *Solid risk management and compliance*

Stable and sound risk management affects all parts of Swedbank's operations and helps Swedbank 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 Swedbank is 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.

7.2.6 Competitive return on investment with market-leading cost efficiency

A sustainable bank is a profitable bank. Swedbank creates value for its shareholders through long term, profitable growth and efficiency. By focusing on cost control, automation and digitisation, Swedbank can continue to generate a high return on shareholders' equity. Swedbank values consistent profitability over fast growth, given that it creates stability and predictability for its customers and owners as well as society at large. Therefore, Swedbank seeks to avoid short term market trends and instead prices its products based on risk and capital requirements. This has helped Swedbank to maintain a strong financial performance, which enables Swedbank to continuously invest in product and channel development and offer competitive prices.

7.3 Business Segments

The Group is comprised of four business segments.

7.3.1 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 143 branches as well as through digital channels and customer centres. The Group also offers its products through co-operation with 182 additional local associated independent savings banks and partly-owned banks, as of 31 December 2023. 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 60 per cent. of the Group's total loans to the public outstanding as of 31 December 2023.

7.3.2 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 81 branches as of 31 December 2023 as well as through digital channels and customer centres.

The Group holds leading positions in several key market segments in its Baltic home markets.¹ Loans to customers in Baltic Banking represented 14 per cent. of the Group's total loans to the public outstanding as of 31 December 2023.

7.3.3 Corporates & Institutions

C&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. C&I is also responsible for developing corporate and capital market products for other parts of Swedbank and the Swedish savings banks. C&I works closely with customers, who receive advice on decisions that create long-term profitability and sustainable growth. C&I is present in Sweden, Estonia, Latvia, Lithuania, Norway, Finland, Denmark, China, the United States and South Africa. Loans to the public in C&I represented 26 per cent. of the Group's total loans to customers outstanding as of 31 December 2023, excluding SNDO and repurchase agreements. On 1 May 2023, the Group implemented a reorganisation, which impacted C&I, which was formerly known as Large Corporates and Institutions. A majority of mid-sized corporate customers and tenant-owned associations were transferred from Swedish Banking to C&I.

¹ 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.

On 28 February 2023, Pål Bergström stepped down as Head of C&I and left Swedbank. On 18 January 2023, Swedbank announced that Bo Bengtsson had been appointed Head of C&I and became a member of the Group Executive Committee. Bo Bengtsson left Swedbank's Board of Directors on 18 January 2023 and began his new position on 1 March 2023.

7.3.4 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.

7.4 Products and Services

7.4.1 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 30 November 2023 and 22 per cent. in 2022.¹ As of 31 December 2023, Swedbank Mortgage's outstanding Swedish mortgage loan portfolio amounted to SEK 1,115 billion, of which SEK 911 billion was derived from private customers. Swedish mortgage lending represented 60 per cent. of the Group's total loans to the public outstanding as of 31 December 2023. Both Swedbank and Swedbank Mortgage originate mortgages. Swedbank Mortgage is responsible for the origination of standard mortgage loans with up to a 69 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 57 per cent. as of 31 December 2023, 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 54 per cent. as of 31 December 2023.

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

¹ Statistics Sweden (Sw: *Statistiska Centralbyrån*, SCB), 2022-11-30, www.scb.se.

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.

7.4.2 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.

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 estimated expenses of the borrower's household, taking into account a stressed scenario for affordability including a stressed (increased) interest rate (as of December 2023, plus two 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 1 March 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 1 March 2018.

Swedbank Mortgage's loans are distributed by the Group through its approximately 143 branches and the approximately 182 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 association¹ 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.

¹ Estonia: Estonian Banking Association; Latvia: Association of Latvian Commercial Banks; Lithuania: Association of Lithuanian Banks.

7.4.3 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.

7.4.4 Investment Banking Products

The Group offers equity, fixed income and currency trading, project, export and acquisition financing and corporate services as part of its C&I business.

7.4.5 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.

7.4.6 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.

7.4.7 Payment Services

The Group offers a broad range of payment products, including debit, transaction services and card infrastructure and, as of 31 December 2023, 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.

7.5 Information Technology

7.5.1 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 2024 Swedbank will build on the foundational work completed in 2023 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 security goals and direction, 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.

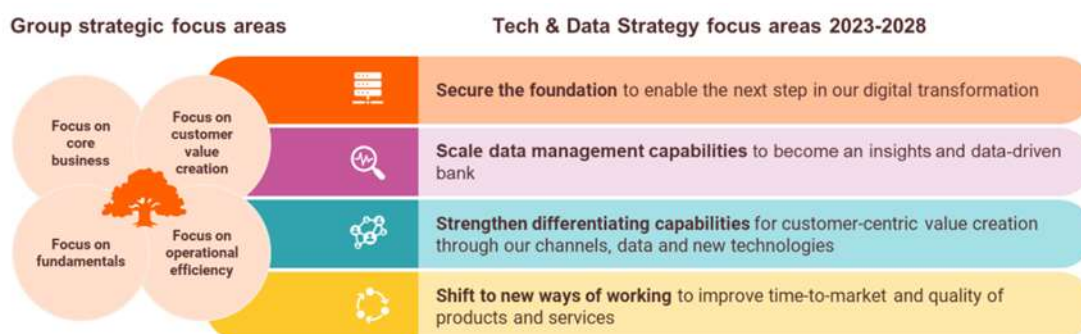
Swedbank has established hybrid ways of working and has strengthened governance and risk management for remote access.

7.5.2 Strategy, investments, and focus areas

Swedbank's Tech & Data Strategy outlines the technical capabilities needed to support its Group Strategic Direction and other core strategies. The strategy is based on Swedbank's low risk position and defined risk appetite with regulatory compliance and a stable foundation as prerequisites. For the 2023 to 2028 period, Swedbank's four strategic focus areas are summarised in the graphic below. Swedbank is, and expects to remain, a systemically important bank, providing critical societal services in its home markets. Swedbank's most important overarching objective for this strategic horizon will be to secure the foundation by simplifying its infrastructure, the application landscape and the way it operates.

Swedbank has progressed in its digitalisation and its digital services for private customers are widely adopted. Swedbank is continuing transformative initiatives, including the establishment of a next generation cloud foundation strengthening its ability to deliver digital services and its resilience. Among Swedbank's key priorities are efforts to simplify and standardise Swedbank's infrastructure, as well as to increase its flexibility and capabilities to integrate with third parties.

Strong data management practices and governance are needed for effective risk management and to reach Swedbank’s ambition to become a data-driven enterprise. With a foundation of trustworthy data and strong data sharing capabilities, Swedbank expects to leverage analytics and AI for better decision-making, process optimisation and creation of customer value. Swedbank aims to deliver a seamless and personalised customer experience to compete in the evolving ecosystem of partnerships, products, and services. Embracing new technologies will require a shift in Swedbank’s methods of working, enhancing both productivity and innovation. As Swedbank progresses in its transformation journey in securing the foundation, focus will shift between its strategic focus areas, steering investments towards initiatives that will strengthen its differentiating capabilities.



The IT investment agenda for the full year 2024 is designed to support the Group’s ongoing strategic transformation as outlined in Swedbank’s Group strategy and the Swedbank Tech and Data Strategy. The planned investments in 2024 centre around the Group’s strategic focus areas. The digitisation efforts to improve Swedbank’s 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 continue investing 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.

7.6 Related Party Transactions

During the year ended 31 December 2023, 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 31 December 2022 and note 24 in the unaudited financial information in the published unaudited interim report of the Issuer as of 31 December 2023, both of which are incorporated by reference in this Offering Circular.

7.7 Legal Proceedings

7.7.1 SFSA Investigation

On 19 March 2020, the SFSA issued a warning to Swedbank AB and imposed an administrative fine of SEK 4 billion related to deficiencies in Swedbank's (i) governance of anti-money laundering measures in its Baltics subsidiaries during the period 2015 to the first quarter of 2019, and (ii) Swedish Banking operations (not meeting anti-money laundering requirements in its Swedish operations and not sufficiently addressing the risk of money laundering in the Baltics). The SFSA noted that Swedbank, in relation to its Swedish operations, had deficiencies in its risk classification of customers and its transaction monitoring and concluded that Swedbank had not met the anti-money laundering requirements in its Swedish operations. The SFSA also announced that Swedbank had large deficiencies in its governance of money laundering risks 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. In addition, the SFSA noted that, in their opinion, Swedbank had, in some instances, withheld documentation and information and, in one case, 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.

7.7.2 EFSA Investigation

On 19 March 2020, the EFSA issued a precept requiring Swedbank AB's Estonian subsidiary to take comprehensive measures to properly understand and mitigate past and current risks, as well as to review and amend its organisational framework to more effectively manage risks, to change its practices in understanding client activities and to review practices for reporting suspicious transactions and operational risk. The precept was a result of an investigation of the set-up of the anti-money laundering organisation of the Estonian subsidiary, the activities of management and staff in combatting money laundering and terrorist financing, the identification, analysis, management and mitigation of risks, as well as the application of due diligence measures during the establishment of business relationships and the provision of services. The EFSA concluded that the Estonian subsidiary had severe deficiencies in its anti-money laundering risk control systems and had failed to meet anti-money laundering requirements, noting examples of where the subsidiary had withheld information during the investigation. On 19 November 2020, Swedbank AS submitted a final report describing the actions taken to comply with the EFSA precept.

On 28 January 2021, the EFSA informed Swedbank AS that it considered activities and evidence presented in the final report adequate and that the matter did not require additional remarks. The EFSA follows up as part of regular supervisory inspections. The Estonian State Prosecutor's Office is still investigating the issue of whether money laundering or other criminal acts took place in the Estonian subsidiary, 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 24 March 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 to cooperate with the relevant authorities.

7.7.3 Other investigations

In March 2019, EBM launched an investigation into whether any crimes were committed in connection with Swedbank's historical information disclosures. 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 and the prosecutor's office filed charges against the former CEO on 4 January 2022. On 25 January 2023, the former CEO was acquitted of all charges giving the prosecutor three weeks to decide if the verdict should be appealed. On 15 February 2023, the Chief Prosecutor and Deputy Chief Prosecutor decided to appeal the Stockholm District Court's acquittal verdict from 25 January 2023. The case will be tried by the Court of Appeals during spring 2024. 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 has implemented a number of remedies regarding governance, including control of subsidiaries.

Certain U.S. authorities, including the DOJ, SEC, 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. In March 2023, Swedbank made a provision of SEK 40 million for potential financial impacts related to OFAC's investigation. In June 2023, Swedbank reached an agreement to remit SEK 37 million related to violations of OFAC regulations.

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 1 July 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 approximately SEK 4 billion. On 18 August 2022, Swedbank responded to the Swedish Pensions Agency disputing the claim, but has not made any accounting provision related to the claim. Since 18 August 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 Swedbank's services. Swedbank takes what occurred seriously and has taken extensive action to prevent similar events from occurring. On 15 March 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. Following the incident, Swedbank conducted a comprehensive internal root cause analysis and set an action plan to address the identified deficiencies to prevent such disruptions from reoccurring in the future. The established action plan has been fully implemented, with particular focus on assuring prevention of the unauthorized changes, stabilizing the overall risk level.

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. The investigation also included an assessment of potential non-compliance by the Baltic subsidiaries or their customers with OFAC sanctions. The investigation was presented to the Board and parts of the Group’s management on 21 March 2020 and released to the public on 23 March 2020.

Numerous actions have been taken to remedy the identified shortcomings and to ensure a sustainable corporate governance in Swedbank, including an evaluation of the Group’s internal governance and control, which was completed in January 2021. 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. The Board of Directors plays an active role in the governance oversight through the Governance Committee formed at the beginning of 2020.

7.7.4 Auditor Recommendations

In its 2019 auditor’s report, PricewaterhouseCoopers AB (“PwC”), the Group’s independent auditor, recommended the shareholders of Swedbank AB not discharge the former CEO from liability. The recommendation was based on the fact that various money laundering investigations against the Group were still ongoing at the time. 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 2019 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.

7.7.5 DFSA Requirements

On 25 November 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. In 2023, Swedbank ceased its operations in Denmark. All outstanding regulatory matters were resolved prior to the closure of the branch.

7.8 Employees

As of 31 December 2023, the Group had 17,275 full-time employees. The table below sets out the number of employees employed for the years indicated.

	As of 31 December		
	2023	2022	2021
Full-time employees	17,275	16,803	16,565

In 2023, C&I increased employee numbers by 18. Swedish Banking decreased employee numbers by 356, Baltic Banking increased employee numbers by 61 and Group Functions & Other increased employee numbers by 749. The Group maintains continuous and active dialogue with its employees

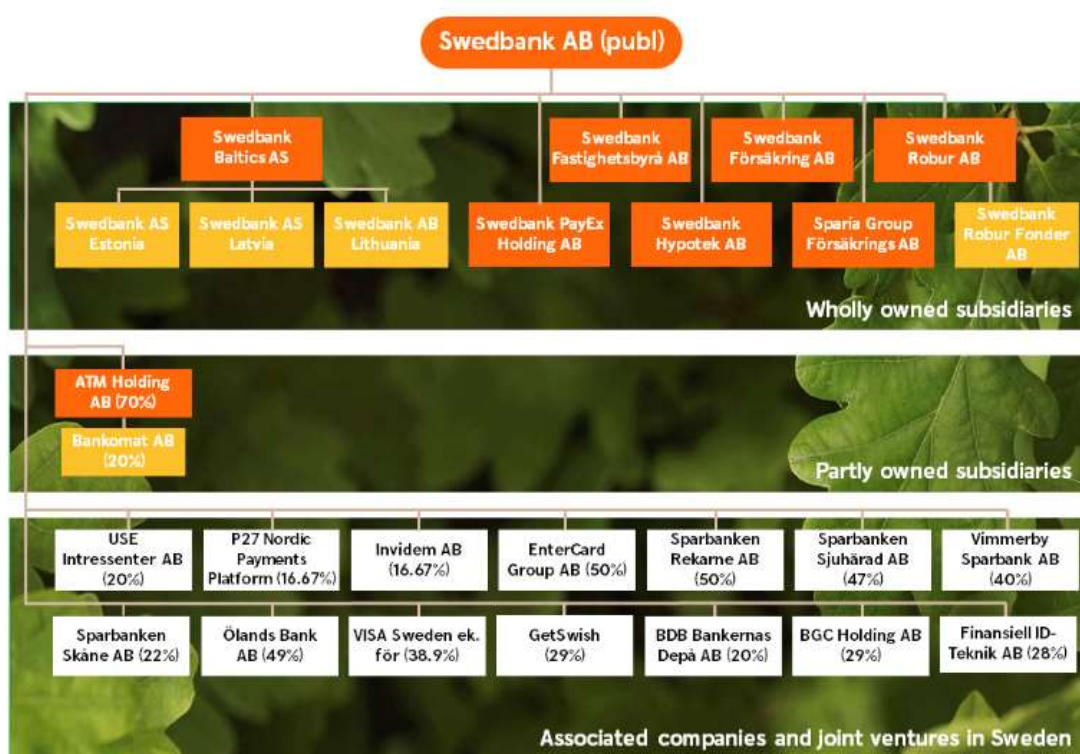
and representatives and believes that its relations with its employees are good. There have been no significant strikes or mutual work stoppages in the past three years.

7.9 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 Offering Circular.



7.9.1 Sweden

The banking sector is fairly concentrated in the Group's home market of Sweden. In 2023, the Group, Svenska Handelsbanken, Nordea and SEB accounted for approximately 65 to 70 per cent. of deposits and lending, 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 30 November 2023. 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.

7.9.2 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 45 per cent. for private deposits and 42 per cent. for private lending as of 30 November 2023. In the Estonian corporate market, the Group's market share was 35 per cent. for lending and 39 per cent. for deposits as of 30 November 2023.¹

7.9.3 Latvia

Latvia has a more fragmented market where local banks account for a significant portion of the various segments. As of 30 September 2023, the Group had a market share of 39 per cent. of private deposits and 36 per cent. of private lending. In the corporate market, the market share was 28 per cent. for deposits and 20 per cent. for lending as of 30 September 2023.²

7.9.4 Lithuania

Like Sweden, the banking market in Lithuania is dominated by a few major players. As of 30 September 2023, the Group had a market share of 45 per cent.³ of private deposits and 39 per cent. of private lending. In the corporate market, the Group's share was 25 per cent. for lending and 29 per cent. for deposits as of 30 September 2023.⁴

7.10 Ratings

Swedbank AB (publ) 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-

In November 2022, S&P stated that Swedbank's key strengths is being 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 26 June 2023, S&P reaffirmed Swedbank's A+/A-1 long-term and short-term issuer credit rating, which S&P stated reflected its view that Swedbank had advanced its governance and financial crime prevention.

On 1 July 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 upgrade reflects Fitch's opinion that Swedbank's Anti-Money Laundering ("AML") risk control framework has been sufficiently strengthened and has addressed historical shortcomings at its Estonian subsidiary. Fitch stated in its credit update from 23 December 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

¹ Estonian Banking Association.

² Association of Latvian Commercial Banks.

³ Association of Lithuanian Banks.

⁴ Association of Lithuanian Banks.

liquidity, and strong access to the wholesale markets. On 20 June 2023, Fitch reaffirmed Swedbank's Long-Term IDR at AA-.

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.

8 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.

8.1 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.

8.2 Three levels of risk management

8.2.1 *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 risk management 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.

8.2.2 *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.

8.2.3 *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.

9 Management

9.1 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 30 March 2023, Swedbank held its Annual General Meeting (“AGM”) and decreased the number of Board members to 11 and re-elected eleven existing Board members.

Bo Bengtsson left the Board in January 2023 and took up his new position as Head of C&I on 1 March 2023. On 1 May 2023, the group implemented a reorganisation which mainly affected Swedish Banking and C&I, which was previously known as Large Corporates and Institutions.

The next AGM will be held on 26 March 2024. 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, Anna Mossberg, Per Olof Nyman, Biljana Pehrsson and Biörn Riese. Bengt-Erik Lindgren has declined for re-election. Göran Persson is proposed as Chair of the Board. 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 Nordstjernen 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 Grovareselskab 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 Oyj 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 A-kassa and deputy chair of SPK.

Åke Skoglund: Mr. Skoglund has been an employee representative to the Board since 2020. Mr. Skoglund studied Business Administration at Stockholm University. He has worked at Swedbank for approximately 30 years. He has previous experience with business development, accounting, annual accounts and government reporting. Mr. Skoglund is also currently the chair at Finansförbundets Lokala Klubb Centrala Enheter.

The 2024 AGM is scheduled to take place on 26 March 2024. On 29 January 2024, 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.

9.2 Group Executive Committee

The transformation of the Group Executive Committee involved the appointment of Charlotte Rydin as Chief Legal Officer and Head of Group Legal on 9 July 2020. She started in the beginning of 2021. Jon Lidefelt was appointed Head of Baltic Banking on 9 July 2020. He had been acting Head of Baltic Banking since December 2019. In addition, Erik Ljungberg was appointed as Head of Group Communication and Sustainability on 1 July 2020 and Rolf Marquardt was appointed as Group Risk Manager on 14 September 2020. On 15 January 2021, it was announced that Ola Laurin would step down as the head of C&I. On 16 June 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 1 July 2021 and is a permanent member of the Group Executive Committee. On 21 September 2021, Swedbank announced the retirement of Ingrid Harbo, Swedbank's Chief Compliance Officer and a member of the Group Executive Committee since 2019. On 21 January 2022, Swedbank announced the appointment of Britta Hjorth-Larsen as its new CCO. Britta Hjorth-Larsen took up her position 1 August 2022 and is a member of Swedbank's Group Executive Committee. Eva Wilhelmsson served as acting Chief Compliance Officer from 1 April 2022 until Britta Hjorth-Larsen took up her position. On 19 December 2022, Pål Bergström announced his departure as Head of C&I. Bo Bengtsson took up his position as new Head of C&I and became a member of Swedbank's Group Executive Committee on 1 March 2023.

On 4 September 2023, Swedbank announced Mikael Björknert would step down as Head of Swedish Banking and would become a Senior Advisor. On 4 September 2023, Swedbank announced the appointment of Anna-Karin Laurell as the new Head of Swedish Banking and Malin Lilliecrona as head of a new business area with a focus on premium and private banking customers. Anna-Karin Laurell and Malin Lilliecrona will take up their positions no later than 1 April 2024.

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

<u>Name</u>	<u>Year of birth</u>	<u>Position</u>	<u>Employed Since</u>
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
	1980	Acting Head of Anti-Financial Crime Unit	2006
Sandra Almström			
Jon Lidefelt	1973	Head of Baltic Banking	2013
Erik Ljungberg	1971	Head of Group Brand, Communication & Sustainability	2020
Bo Bengtsson	1966	Head of Corporates & Institutions	2023
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 Lidefelt: Mr. Lidefelt holds a Master's of Science in Engineering Physics.

Erik Ljungberg: Mr. Ljungberg holds a Master's of Science in Business Administration.

Bo Bengtsson: Mr. Bengtsson holds a Swedsec mortgage license and has training in management.

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.

Sandra Almström: Ms. Almström holds a Master's degree 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.

9.3 Auditor

In accordance with its Articles of Association, Swedbank shall have no less than one and no more than two authorised public accountants (the "Auditor"). The Auditor is appointed by the AGM after being nominated by the Nomination Committee. Auditing duties are normally for four years, although a decision may be made to replace the Auditor before the conclusion of the four-year period. At the 2019 AGM (on 28 March 2019), PwC Sverige AB was elected as auditor for the period ending at the 2023 AGM. The Chief Auditor is Authorised Public Accountant Anneli Granqvist, a member of FAR (the institute for the accountancy profession in Sweden). In 2023, 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.

9.4 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.

Since 2020, Swedbank has reviewed and evaluated the Group's corporate governance model, with the purpose to ensure that the Group has an appropriate, effective, and satisfactory model that is clear, consistent, and aligned with current corporate governance principles. The review has resulted in a revision of the Group's overarching risk framework, a strengthened corporate governance model and framework as well as updates to several key policy documents within the Group clarifying the

delegation of responsibilities, roles and reporting lines. The Group has continued to invest in improved routines, processes, and system support to strengthen its ability to identify and mitigate financial crime (including the process for communicating and monitoring implementation of the Group's training on corporate governance issues for decision makers in the organisation).

In October 2021, Swedbank AB implemented changes in the governance and control of Baltic Banking and established a wholly owned holding company, Swedbank Baltics AS, which became the direct 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 had 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. In addition, the Head of Baltic Banking is also the CEO of the holding company Swedbank Baltics AS.

9.5 Annual General Meeting

The shareholders exercise their influence through participation in the AGM. According to Swedbank's Articles of Association, the AGM shall be held before the end of April, or under special circumstances, no later than June 30. The AGM is normally held in Stockholm. 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 2023 AGM was conducted on 30 March 2023. A total of 595,891,676 shares, representing about 53 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 9.75 per share. The record date for the dividend was set for 3 April 2023 and the dividend was paid on 6 April 2023. Swedbank's dividend policy is to distribute 50 per cent. of its profits to shareholders, who expect a competitive return on their capital. The remaining 50 per cent. of profit is used to finance growth, investments and to weather economic pressure in difficult times.

The 2024 AGM is scheduled to take place on 26 March 2024. On 29 January 2024, Swedbank's Nomination Committee presented its proposal for the Board of Directors to the AGM and proposed the re-election of Göran Persson, Göran Bengtsson, Annika Creutzer, Hans Eckerström, Kerstin Hermansson, Helena Liljedahl, Anna Mossberg, Per Olof Nyman, Biljana Pehrsson and Biörn Riese as the Board. Bengt-Erik Lindgren has declined for re-election. Göran Persson is proposed as Chair of the Board. 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 15.15 per share for the financial year 2023. The proposed record day for the dividend is 28 March 2024.

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, Peter Lundkvist, 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.

9.6 Shareholders

The table below sets forth the Group's largest shareholders as of 31 December 2022:

<u>Shareholder</u>	<u>% of capital and votes</u>
Sparbanksgruppen	12.19
Folksam	7.05
Norges Bank	2.51
Swedbank Robur Funds	3.90
Sparbankensstiftelser – excl Sparbanksgruppen	3.69
Vanguard	3.38
Blackrock	2.69
DWS Investments	2.42
SEB Fonder	2.49
10 largest shareholders	42.28
Number of shareholders	352,510

10 Capital Management

10.1 Capital Adequacy

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 are consolidated through the proportional method instead of the equity method. Otherwise, the same principles for consolidations are applied as for the Group.

Consolidated situation, SEKm	31 Dec 2023	31 Dec 2022
Available own funds		
Common Equity Tier 1 (CET1) capital	160 659	144 107
Tier 1 capital	174 848	153 320
Total capital	195 648	176 331
Risk-weighted exposure amounts		
Total risk exposure amount	847 121	809 438
Capital ratios (as a percentage of risk-weighted exposure amount)		
Common Equity Tier 1 ratio (%)	19.0	17.8
Tier 1 ratio (%)	20.6	18.9
Total capital ratio (%)	23.1	21.8
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 (%)	2.7	2.3
of which: to be made up of CET1 capital (percentage points)	1.8	1.5
of which: to be made up of Tier 1 capital (percentage points)	2.1	1.8
Total SREP own funds requirements (%)	10.7	10.3
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)		
Capital conservation buffer (%)	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 (%)	1.7	0.9
Systemic risk buffer (%)	3.1	3.0
Global Systemically Important Institution buffer (%)	-	-
Other Systemically Important Institution buffer (%)	1.0	1.0
Combined buffer requirement (%)	8.3	7.4
Overall capital requirements (%)	19.0	17.7
CET1 available after meeting the total SREP own funds requirements (%)	12.4	11.2
Leverage ratio		
Total exposure measure	2 689 307	2 735 019
Leverage ratio (%)	6.5	5.6
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 (percentage points)	-	-
Total SREP leverage ratio requirements (%)	3.0	3.0

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

Common Equity Tier 1 capital	31 Dec	31 Dec
Consolidated situation, SEKm	2023	2022
Shareholders' equity according to the Group's balance sheet	198 760	176 064
Anticipated dividend	-17 049	-10 967
Value changes in own financial liabilities	-150	-339
Cash flow hedges	-9	-13
Additional value adjustments	-609	-576
Goodwill	-13 874	-13 863
Deferred tax assets	-25	-106
Intangible assets	-4 470	-4 005
Insufficient coverage for non-performing exposures	-61	-11
Deductions of CET1 capital due to Article 3 CRR	-140	-106
Shares deducted from CET1 capital	-46	-40
Pension fund assets	-1 667	-1 930
Total	160 659	144 107

Risk exposure amount	31 Dec	31 Dec
Consolidated situation, SEKm	2023	2022
Risk exposure amount credit risks, standardised approach	59 387	54 992
Risk exposure amount credit risks, IRB	374 538	336 516
Risk exposure amount default fund contribution	335	149
Risk exposure amount settlement risks	0	0
Risk exposure amount market risks	16 592	21 461
Risk exposure amount credit value adjustment	2 986	3 809
Risk exposure amount operational risks	96 123	79 995
Additional risk exposure amount, Article 3 CRR	29 234	71 411
Additional risk exposure amount, Article 458 CRR	267 925	241 106
Total risk exposure amount	847 121	809 438

	SEKm		%	
Capital requirements¹⁾	31 Dec	31 Dec	31 Dec	31 Dec
Consolidated situation, SEKm / %	2023	2022	2023	2022
Capital requirement Pillar 1	138 023	124 756	16.3	15.4
of which Buffer requirements ²⁾	70 254	60 001	8.3	7.4
Capital requirement Pillar 2 ³⁾	22 618	18 374	2.7	2.3
Pillar 2 Guidance	4 236	8 094	0.5	1.0
Total capital requirement Pillar 1 and 2	164 877	151 225	19.5	18.7
Own funds	195 648	176 331	-	-

Notes:

¹⁾ Swedbank's calculation based on the SFSA's announced capital requirements, including Pillar 2 requirements.

²⁾ Buffer requirements includes 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 2023.

	31 Dec 2023	31 Dec 2022
Parent company, SEKm		
Available own funds		
Common equity tier 1 (CET1) capital	109 148	102 528
Tier 1 capital	123 336	111 742
Total capital	142 832	134 563
Risk-weighted exposure amounts		
Total risk exposure amount	427 077	394 817
Capital ratios as a percentage of risk-weighted exposure amount		
Common equity tier 1 ratio	25.6	26.0
Tier 1 ratio	28.9	28.3
Total capital ratio	33.4	34.1
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	1.2	2.1
of which: to be made up of CET1 capital	0.8	1.4
of which: to be made up of Tier 1 capital	0.9	1.6
Total SREP own funds requirements	9.2	10.1
Combined buffer and overall capital requirement as a percentage of risk-weighted exposure amount		
Capital conservation buffer	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	1.7	0.9
Systemic risk buffer	0.0	0.0
Global Systemically Important Institution buffer	-	-
Other Systemically Important Institution buffer	-	-
Combined buffer requirement	4.2	3.4
Overall capital requirements	13.4	13.5
CET1 available after meeting the total SREP own funds requirements	20.3	20.0
Leverage ratio		
Total exposure measure	1 308 778	1 340 798
Leverage ratio, %	9.4	8.3
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
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

	31 Dec 2023	31 Dec 2022
Risk exposure amount		
Parent company, SEKm		
Risk exposure amount credit risks, standardised approach	125 798	103 867
Risk exposure amount credit risks, IRB	196 446	180 802

Risk exposure amount default fund contribution	335	149
Risk exposure amount settlement risks	0	0
Risk exposure amount market risks	16 690	21 352
Risk exposure amount credit value adjustment	2 940	3 801
Risk exposure amount operational risks	50 860	42 408
Additional risk exposure amount, Article 3 CRR	500	33 658
Additional risk exposure amount, Article 458 CRR	33 508	8 782
Total	427 077	394 817

Capital requirements ¹	SEKm		%	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Parent company, SEKm / %				
Capital requirement Pillar 1	51 942	44 870	12.2	11.4
of which Buffer requirements ²	17 775	13 285	4.2	3.4
Capital requirement Pillar 2 ³	5 253	8 291	1.2	2.1
Total capital requirement including Pillar 2 guidance	57 195	53 161	13.4	13.5
Own funds	142 832	134 563	-	-

Notes:

- 1) Swedbank's calculation based on the SFSA's announced capital requirements, including Pillar 2 requirements and Pillar 2 guidance.
- 2) Buffer requirements includes capital conservation buffer and countercyclical capital buffer.
- 3) Individual Pillar 2 requirement according to decision from SFSA SREP 2023.

The table below shows the available distributable items of Swedbank as at 31 December 2023.

Swedbank AB (parent company)	SEKm
Share premium reserve*	13 206
Retained earnings*	67 424
ADI 2022*	80 630
Dividend	-10 964
Comprehensive income, 2023	17 520
Other	301
ADI 2023**	87 487

*Based on audited numbers as at 31 December 2022

**Available distributable items for 2023 are indicative only and reflect known changes to distributable items since 31 December 2022

10.2 Basel III

On 16 December 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 19.0 per cent. as of 31 December 2023 and 17.8 per cent. as of 31 December 2022.

CET 1 capital increased by SEK 16.6 billion to SEK 160.7 billion as of 31 December 2023 compared to 31 December 2022. This change was mainly attributable to earnings, net of proposed dividend. Subordinated debt included in the total capital increased by SEK 2.8 billion where Tier 2 capital decreased by SEK 2.2 billion and AT1 capital increased by SEK 5.0 billion.

The Group's REA increased during 2023 by SEK 37.7 billion to SEK 847.1 billion as of 31 December 2023 from SEK 809.4 billion as of 31 December 2022. Credit risk REA excluding additional REA for Article 458 increased by SEK 42.6 billion during 2023, mainly driven by the implementation of the new Probability of Default ("PD") model for exposures to large corporates within C&I and increased exposures. Counterparty credit risk increased REA by SEK 3.8 billion, primarily due to an increase in derivatives.

The risk weight floor for the Swedish mortgage portfolio of 25 per cent., the Norwegian residential real estate of 20 per cent., the Norwegian corporate real estate of 35 per cent., the Swedish residential real estate of 20 per cent., and the Swedish commercial real estate of 35 per cent. increased REA by SEK 26.8 billion under Article 458 of the Regulation (EU) No 648/2012, as amended by the Capital Requirements Regulation ("CRR") (EU) No 575/2013.

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, according to the European implementation through the CRR, it will be implemented 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 decrease of SEK 42.2 billion, primarily to balance the temporary add-on related to the ongoing review of internal ratings-based ("IRB") models in the Pillar 2 requirement, as well as to offset the implementation of the new PD models for large corporates.

Market risk REA decreased by SEK 4.9 billion in 2023. Most of the decrease was derived from the input to the internal model used when calculating market risk REA.

REA for credit valuation adjustment decreased by SEK 0.8 billion in 2023. The main driver for the decrease was lower total exposure at default ("EAD").

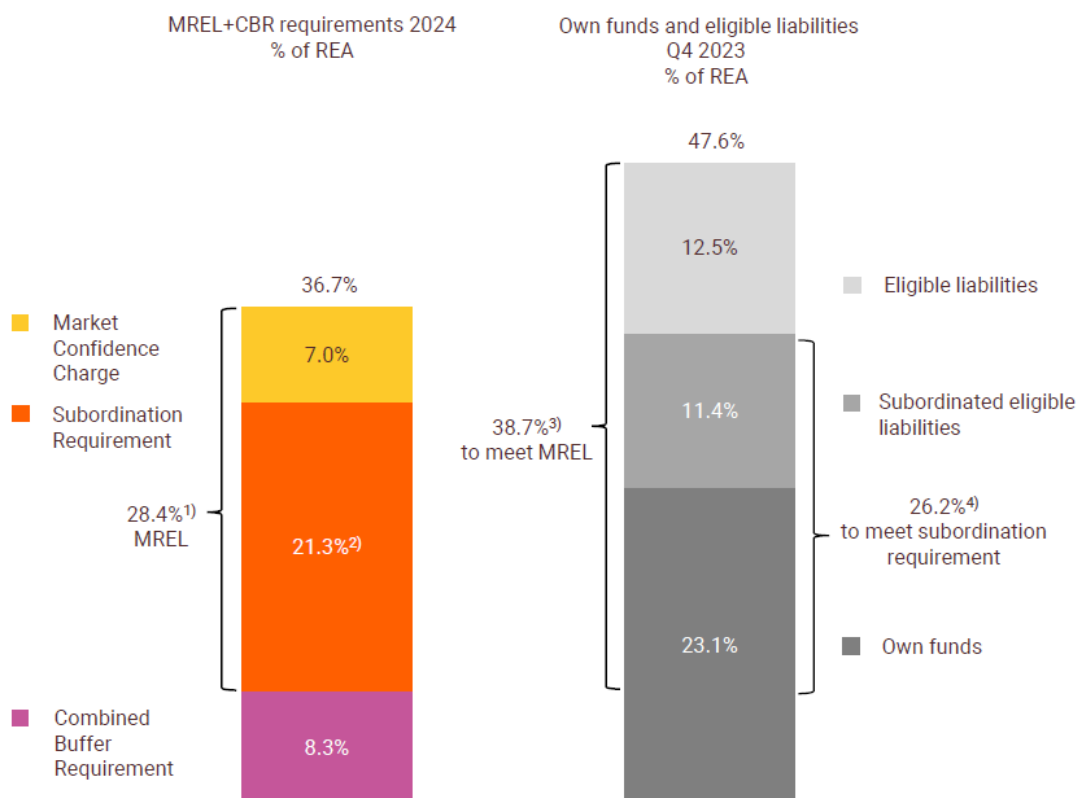
The annual update of the operational risk calculation during December 2023 contributed to an REA increase of SEK 16.1 billion. The increase in REA for operational risk was mainly due to increased income levels.

Since 28 June 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 30 September 2021. A Pillar 2 guidance of 0.5 per cent. was decided by the SFSA in the SREP 2023 and effective on 30 September 2023. Swedbank's leverage ratio was 6.5 per cent. as of 31 December 2023.

For a further discussion in relation to the Basel III reforms which were published on 7 December 2017, see "*Regulatory Considerations—Banking Regulation & Supervision in Sweden—Capital adequacy & liquidity.*"

10.3 MREL Requirements

Please see “Regulatory Considerations—Banking Regulation & Supervision in Sweden—MREL” for further discussions on this.



10.4 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 ³
Pillar 1				
Minimum CET 1 Requirement	4.5 %	1.5 %	2.0 %	8.0%
Systemic Buffer	3.1 %	-	-	3.1%
Capital Conservation Buffer	2.5 %	-	-	2.5%
Countercyclical Buffer	1.7 %	-	-	1.7%
Other Systemically Important	1.0 %	-	-	1.0%

Institution Buffer ("O-SII")				
Total	<u>12.8</u> %	<u>1.5</u> %	<u>2.0</u> %	<u>16.3%</u>
Pillar 2				
Individual Pillar 2 Requirement ²	1.8 %	0.3 %	0.6 %	2.7%
<i>of which Interest rate risk in the banking book</i>	0.5 %	0.2 %	0.2 %	0.9%
<i>of which Credit- related concentration risk</i>	0.3 %	0.1 %	0.1 %	0.5%
<i>of which IRB non- compliance</i>	1.0 %		0.3 %	1.3%
<i>of which Pension risk</i>				
<i>of which Other</i>	<u>0.5</u> %	-	-	<u>0.5%</u>
Pillar 2 Guidance ²	<u>2.3</u> %	<u>0.3</u> %	<u>0.6</u> %	<u>3.2%</u>
Total Capital Requirements	<u>15.1</u> %	<u>1.8</u> %	<u>2.6</u> %	<u>19.5%</u>

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 2023.

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 1 January 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 went 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 26 June 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

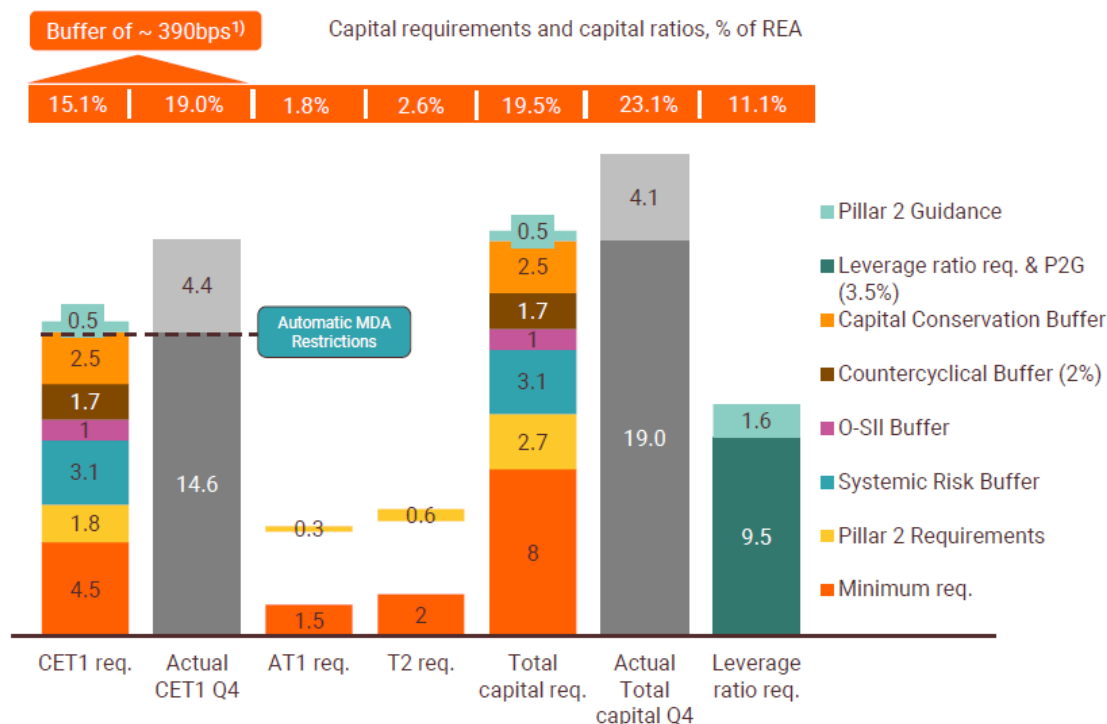
affected Swedbank's CET 1 requirement expressed in nominal monetary terms. In addition, the SFSA decided in 2021 to recognise the Norwegian Ministry of Finance's decision to introduce an average risk weight floor for retail and corporate real estate exposures in Norway of 20 per cent. and 35 per cent. respectively. In 2023, the SFSA decided to remove the Swedish residential and commercial real estate risk weight floor of 25 per cent. and 35 per cent., respectively, from the Pillar 2 requirement and instead introduced the floor as Pillar 1 REA under Article 458, which became applicable from September 2023. As of 31 December 2023, Swedbank held an additional SEK 40.5 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 SREP used standardised methods for assessing capital requirements within the framework of Pillar 2 for credit-related concentration risk, interest rate risk in the banking book and pension risk. In September 2023, the SFSA announced its final decision for the SREP 2023 process. The Pillar 2 requirement increased by 0.3 percentage points for CET1 and by 0.4 percentage points for total capital compared to the previous year.

The total capital requirement for Swedbank, calculated as of 31 December 2023 on the basis set out in the table above, is equivalent to a CET 1 capital ratio of 15.1 per cent. and a total capital requirement amounting to 19.5 per cent. Swedbank's actual CET 1 ratio and total capital ratio as of 31 December 2023 were 19.0 per cent. and 23.1 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 7 December 2017, please see "Regulatory Considerations – Banking Regulation and Supervision in Sweden – Capital adequacy and liquidity."

Composition of Swedbank's CET1 and total capital ratio requirements as of 31 December 2023



11 Regulatory Considerations

11.1 Banking Regulation and Supervision in Sweden

11.1.1 *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 Offering Circular. 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".

11.1.2 *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.

11.1.3 *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 13 January 2011, the Basel Committee published minimum requirements for regulatory capital to ensure loss absorbency at the point of non-viability.

Following the Basel III guidelines, on 20 July 2011, the European Commission published corresponding proposed changes at the EU level to replace the amended Capital Requirement Directive with two legislative instruments: a Regulation establishing prudential requirements institutions are required to respect and a Directive (through an amendment of Directive 2002/87/EC) governing the access to deposit-taking activities. The Fourth Capital Requirements Directive 2013/36/EU ("CRD IV") legislative package was published in the Official Journal of the European Union on 27 June 2013. CRD IV was required to be implemented by the EU member states so as to apply from 1 January 2014 and the CRR applied directly in the EU member states from 1 January 2014, in each case, with certain exceptions. Beginning 1 January 2014, the Swedish capital adequacy framework is based on CRR and CRD IV. As from 1 January 2014 CRR became Swedish law, while

CRD IV was implemented in Sweden in 2014 through amendments to Swedish legislation and SFSA regulations. CRR and CRD IV are complemented by a set of technical standards developed by the EBA and adopted by the European Commission.

CRR and CRD IV introduced significant changes in the prudential regulatory regime applicable to banks, including: increased minimum capital ratios; changes to the definition of capital and the calculation of REA; and the introduction of new measures relating to leverage, liquidity and funding. CRR and CRD IV permit a transitional period for certain of the enhanced capital requirements and certain other measures. The Swedish authorities decided however that the higher capital requirements resulting from the implementation of CRR and CRD IV would be implemented without any phasing-in period, with the only exception that capital instruments not fully compliant with CRR may be included in the total capital during a limited grandfathering period. Starting in 2014, Swedish banks have been required to report the leverage ratio to the regulator, and a formal disclosure requirement was introduced in the first quarter of 2015.

The SFSA has imposed capital requirements beyond the minimum level of 7 per cent. Common Equity Tier 1 ("CET 1") capital (including the mandatory capital conservation buffer of 2.5 per cent.) on Swedish banks, in accordance with the EU rules. In early September 2014, the SFSA decided which capital requirements would apply to Swedish banks beyond the minimum level of 7 per cent. Common Equity Tier 1 capital (including the mandatory capital conservation buffer of 2.5 per cent.) in accordance with the EU rules. As of 1 January 2015, the three major Swedish banks, including Swedbank, are required to maintain a systemic risk buffer of 3 per cent. in Common Equity Tier 1 capital within the framework of Pillar 1. The countercyclical buffer rate for Swedish exposures was set to 1.0 per cent. from 13 September 2015, was increased to 1.5 per cent. from 27 June 2016 and was increased further to 2.0 per cent. beginning 19 March 2017. In March 2020, the countercyclical buffer was reduced to 0.0 per cent. In 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 went into effect 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 Reform 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' IRB approach (a basis for calculating capital requirements for credit risk) especially as regards mortgage lending within the retail exposure class. In May 2013, the SFSA announced its decision to introduce a risk-weight floor of 15 per cent. for the Swedish mortgage portfolio, which was then increased to 25 per cent. in September 2014. The risk-weight floor was introduced as part of the SFSA's overall capital assessment under the supervisory measures in Pillar 2. As of the end of 2018, the Swedish mortgage floor has been replaced with the requirement within the framework of Article 458 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending CRR to include the risk weight floor for Swedish mortgages in Pillar 1. This has not changed Swedbank's capital requirement materially in nominal monetary terms but has affected Swedbank's capital ratios and capital requirements expressed as a percentage of REA. At present, Swedbank has sufficient CET 1 capital to meet its capital requirements. However, no assurances can be made that Swedbank will continue to hold this level of CET 1 capital.

In November 2018, the SFSA published a memorandum explaining that Swedish banks using an IRB approach to calculate their credit risk must analyse their risk classification systems to be compliant with amended guidelines produced by the EBA. On 9 July 2019 the SFSA confirmed that the EBA will delay the deadline for full compliance with the updated requirement to the end of 2021. Compliance with the updated requirements on the definition of default is still required by the end of 2020. As a result of the new guidelines, Swedbank 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 is subject to a Pillar 2 requirement add-on imposed by the SFSA and a voluntary Article 3 REA add-on.

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 consisted 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 2023, the risk weight floor has been removed from Pillar 2 and introduced in Pillar 1 under Article 458.

The leverage ratio is a non-risk-adjusted solvency requirement introduced in Basel III. It is described as a backstop to the risk-based capital measures. It is intended to limit the leverage effects in the balance sheet of volumes that are overly large in relation to the Group's own capital and to provide an extra layer of protection against model risk and measurement error. Under CRR, banks have been required to calculate and report their leverage ratio to regulators since 1 January 2014 and to disclose extensive information about the ratio publicly since 1 January 2015.

The Basel III guidelines also include liquidity standards which comprise a Liquidity Coverage Ratio ("LCR") and a Net Stable Funding Ratio ("NSFR"). The LCR requires banks to hold a reserve of liquid assets sufficient to withstand a 30-day period of liquidity stress. The NSFR rules set minimum requirements for matching the maturities of a bank's funding to the maturity of its assets.

The CRR contains provisions regarding the components of LCR and is complemented with Delegated Regulation 2015/61. As of January 2018, the European regulatory minimum requirement for the LCR on an aggregated level is set to 100 per cent. Per previously communicated Pillar 2 requirements, the SFSA also requires banks to comply with LCR in EUR and USD at least at 100 per cent. As of 1 October 2019, the SFSA introduced a minimum requirement in LCR SEK of 75 per cent., as well as limited the allowed amount of covered bonds issued by Swedish issuers as a share of the total liquid assets to 50 per cent., aimed at limiting potential concentration risks. Swedbank calculates and monitors the LCR on a daily basis. The CRR also contains provisions on the NSFR, which became a binding requirement as of 28 June 2021. Swedbank regularly calculates, monitors, manages and publishes the NSFR and is well prepared for the implementation.

Under the SFSA regulation on Management of Liquidity Risk in Credit Institutions and Securities Companies, credit institutions and securities companies must have proper procedures for identifying, measuring and controlling liquidity risk and must also keep a liquidity reserve adapted to the size and the needs of the company.

European legislation also focuses on liquidity and funding risks in addition to the introduction of the LCR and the NSFR. There are separate reporting requirements on asset encumbrance, funding plans and additional liquidity monitoring metrics to further strengthen the information provided to supervisors. Furthermore, the Internal Liquidity Adequacy Assessment Process is submitted to regulators as an additional report on systemic and institution specific risks related to liquidity and funding.

Amendments to regulations

On 27 June 2019, a series of measures referred to as the Banking Reform Package came into force, subject to various transitional and staged timetables. The adoption of the Banking Reform Package concludes a process that began in November 2016 and is a step toward the completion of the European post-crisis regulatory reforms, drawing on a number of international standards.

The Banking Reform Package 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 29 December 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 28 June 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 have been gradually introduced starting in 2023 and be fully implemented by 2028.

According to the agreed European implementation of the finalised Basel III regulations, 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.

11.1.4 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 1 July 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 1 January 2022. The MREL entered into force on 1 January 2022 and will be completed by 1 January 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 1 January 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 1 January 2024 is 28.4 per cent. of REA and 6.0 per cent. of LRE, according to the decision from the SNDO in December 2023. The fully phased in subordination requirement applicable to Swedbank from 1 January 2024 is 21.3 per cent. of REA and 6.0 per cent. of LRE.

11.1.5 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.

11.1.6 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.

11.1.7 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 1 January 2021, rules on providing certain cash services.

11.1.8 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 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.

11.1.9 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.

11.1.10 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 16 August 2012. EMIR aims to increase stability and transparency in European OTC derivatives markets and includes measures to require the clearing of certain OTC derivatives contracts through central clearing counterparties, reporting of derivatives and risk mitigation techniques (including margin requirements) for uncleared

OTC derivative contracts. A number of EMIR implementing measures have already been adopted but there may be further changes introduced by way of further implementing measures.

11.1.11 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.

11.1.12 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).

11.1.13 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.

11.1.14 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 new CCD was officially published on 30 October 2023. The member states are required to transpose the new rules into their domestic law by 20 November 2025, with the new measures taking effect from 20 November 2026. Swedbank Mortgage monitors the Swedish adoption procedures.

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, the 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.

11.1.15 The Resolution Act and the Act on Preventative Government Support to Credit Institutions

On 2 July 2014, Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms entered into force, the BRRD. The BRRD is intended to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system. On 1 February 2016, the BRRD was implemented in Sweden by the entry into force of the Resolution Act (*Sw. lagen (2015:1016) om resolution*).

A credit institution can be placed into resolution by the SNDO (the "resolution authority") if (a) the SFSA has determined that the institution is failing or likely to fail, (b) there are no alternative measures which would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is necessary in the public interest. The Resolution Act contains four resolution tools and powers which may be used alone or in combination. The resolution tools are: (i) sale of business, which enables the resolution authority to direct the sale of the institution or the whole or part of its business on commercial terms; (ii) in order to enable continuation of critical businesses, transfer all or part of the assets or liabilities of the institution to a "bridge institution" (an entity created for this purpose that is wholly or partially publicly owned); (iii) asset separation, which enables the resolution authority to transfer assets, rights or liabilities to one or more asset management vehicles, wholly or partially publicly owned, to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this tool may only be used together with another resolution tool); and (iv) bail-in, which gives the resolution authority the power to write down certain claims of unsecured creditors (including the Notes) of a failing institution and to convert certain unsecured debt claims, including the Notes, in to equity (the "general bail-in tool"), which equity could also be subject to any future cancellation, transfer or dilution. In addition, the resolution authority has, amongst others, the power to: (i) stop payments from the institution under resolution; (ii) take action to prevent creditors and other counterparties of the institution from terminating contracts early or executing set-off or netting arrangements; and (iii) to vary the maturity, the interest rate and the interest payment date of the relevant unsecured debt claims (including the Notes).

An institution 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 (such as the Notes) 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 if used in combination with a resolution power since the 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 maybe amended or replaced from time to time (“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 (such as the Notes) are written-down or converted or (iii) extraordinary public financial support is required by the relevant entity or its group other than, where the relevant entity is an institution, for the purposes of remedying a serious disturbance in the economy of a Member State of the EEA and to preserve financial stability.

The BRRD also provides for a Member State as a last resort, after having assessed and utilised the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

For a discussion on how the Resolution Act may affect the Group and the Notes, see “*Risk Factors—Risks Relating to the Issuer’s Financial Situation—Swedbank or its financial institution subsidiaries may need additional capital and/or eligible liabilities in the future to maintain capital adequacy ratios or for other reasons, and it may be difficult to obtain such capital and/or eligible liabilities*”, “*–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—Risks Relating to the Notes—In addition to a conversion of the Notes in accordance with Condition 5 (Loss Absorption Mechanism) as described above, the Notes may also be written off, written down, converted to ordinary shares or otherwise modified in a manner which is materially adverse to investors in circumstances where the resolution authorities exercise powers under EU recovery and resolution regimes. The exercise of any such power or any suggestion of such exercise could materially adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes*”.

Also on 1 February 2016, the Act on Preventative Government Support to Credit Institutions (*Sw. lagen (2015:1017) om förebyggande statligt stöd till kreditinstitut*) entered into force. This act enables the authorities to give government support to credit institutions at an earlier stage than a point in time when the Resolution Act would apply. In addition, this act stipulates the setting up of a stability fund for the purpose of financing preventive action under the act as well as actions taken under the Resolution Act.

11.2 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”).

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 20 August 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 30 January 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 21 and 22 October 2014, the SEC, the U.S. Federal Deposit Insurance Corporation, the U.S. Federal Reserve and certain other U.S. prudential banking regulators approved a final rule that mandates risk retention for securitisations. The final rule requires (with limited exceptions) that the sponsor maintain, unhedged, a minimum of 5 per cent. of the credit risk of the securitised assets and became effective with respect to mortgage-backed securitisations on 24 December 2015 and with respect to other securitisations on 24 December 2016.

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. Congress 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.

12 Market Information

The Shares (as defined under “Description of the Shares”) are listed on Nasdaq Stockholm. The ISIN for the Shares is SE0000242455. Information about the past performance of the Shares and their volatility can be obtained from the website of Nasdaq Stockholm at www.nasdaqomxnordic.com. Nasdaq Stockholm can trace its roots from the foundation of the Stockholm stock exchange in 1863 and is the major stock exchange in Sweden with status as a regulated market as defined in Directive (EU) 2014/65. It is supervised by the SFSA.

The total turnover of Swedbank’s share on Nasdaq Stockholm during 2023 was more than SEK 133 billion. Prices are published on the website of Nasdaq Stockholm, within 15 minutes of a change occurring and the average turnover per listed day in 2023 was SEK 530 million.

13 Description of the Shares

Form and denomination

Under its Articles of Association, as presently adopted, there is only one class of shares, (the “Shares”) in the capital of the Issuer. The Shares are denominated in SEK and their quota value is SEK 22 per share as at the date of this Offering Circular.

The Shares are issued in electronic form and presently registered in the electronic securities system of Euroclear Sweden AB which also maintains the Issuer's share register. No share certificates are issued with respect to the Shares. The address of Euroclear Sweden AB is Box 191, SE-10123 Stockholm, Sweden.

The Shares have been issued, and any new Shares will be issued, in accordance with Swedish law. The rights associated with the Shares that are set forth in the Articles of Association of the Issuer, can only be changed in accordance with the procedures stipulated in the Swedish Companies Act (*Sw: aktiebolagslagen (2005:551)*), the Swedish Banking and Financing Business Act (*Sw: lagen (2004:297) om bank- och finansieringsrörelse*) and the Swedish Resolution Act (*Sw: lagen (2015:1016) om resolution*). Furthermore, any amendments to the Issuer's Articles of Association will be subject to the approval of the SFSA.

Supervisory approval for certain acquisitions of Shares

Under Swedish law, direct or indirect acquisitions of Shares require approval from the Swedish FSA when resulting in a qualified holding. A holding is qualified if it amounts to 10 per cent. or more of the capital or of all the voting rights in the Issuer or otherwise renders it possible to exercise a significant influence over the management of the Issuer. Approval is also required each time a qualified holding increases so that it amounts to or exceeds 20, 30 or 50 per cent. of the capital or of all voting rights in the Issuer or such that it causes the Issuer to become a subsidiary pursuant to Swedish law. These rules apply to purchases as well as other methods of acquiring Shares, for example conversion of the Notes into Shares. If approval is granted by the Swedish FSA, the direct or indirect shareholder will have continuous obligations in respect of its holding, among others a requirement to notify the Swedish FSA about changes in its holding of Shares and changes in its management. Also, the Swedish FSA may order the shareholder to sell all or part of its Shares.

Non-compliance with such disclosure and/or approval requirements may lead to the incurrance by the Noteholder of substantial fines and/or suspension of voting rights associated with the Shares.

Reporting requirements at certain levels of shareholding

As long as the Shares are listed on a regulated market in the EEA anyone acquiring or disposing of Shares must report its holding to the Issuer and to the Swedish FSA each time the number of Shares or voting rights of that shareholder reaches, exceeds or falls below 5, 10, 15, 20, 25, 30, 50, 66 2/3 or 90 per cent. This applies regardless of whether the shareholder has acquired the Shares by way of a conversion of the Notes or in any other way. When calculating the number of Shares or voting rights the shareholder must include Shares held by certain other related persons or entities as further detailed in Swedish legislation.

Non-compliance with such disclosure and/or approval requirements may lead to the incurrance by the Noteholder of substantial fines and/or suspension of voting rights associated with the Shares.

Mandatory bids

A holder of less than 30 per cent. of the voting rights of the Issuer (or someone holding no voting rights) who acquires enough Shares such that its total holding amounts to at least 30 per cent. of the voting rights of the Issuer is obliged pursuant to the Swedish Stock Market (Takeover Bids) Act (*Sw: lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*) (as amended or replaced from time to time) implementing Directive 2004/25/EC of the European Parliament and of the Council to publish immediately the size of its holding

(together with those of related parties) and, no later than four weeks thereafter, make a public offering for the remaining outstanding Shares.

Right to attend general meetings of shareholders

At general meetings of shareholders each Share carries one vote. Each shareholder is entitled to participate in general meetings and vote for the full number of Shares held by such shareholder. A shareholder is entitled to bring not more than two assistants and to be represented by proxy on a general meeting of shareholders. A shareholder who wishes to attend a general meeting and vote for its Shares must be registered in the share register of the Issuer on the record date determined for such purpose. Notices convening general meetings shall be made by public notice in *Post och Inrikes Tidningar* (the Swedish Official Gazette) and by way of the notice being made available on the Issuer's web site. Information that the notice has been issued shall be made public in the Swedish daily newspaper *Dagens Nyheter* at the time of the notice. Notice of a general meeting must not be made earlier than 6 weeks prior to the date of the meeting and no later than 3 or in some cases 4 weeks before the date of the meeting.

Resolutions of general meetings of shareholders can usually be made by a majority of more than 50 per cent. of the votes cast but in some cases higher majority requirements apply, in particular if the rights of shareholders will be affected.

Notices of general meetings of the Issuer are given in the manner described above.

Pursuant to the Swedish Companies Act (*Sw: aktiebolagslagen (2005:551)*), at general meetings of the Issuer the Board of Directors and the CEO are under a duty to, upon request by any shareholder and where the Board of Directors believes that such may take place without material damage to the Issuer and without any appreciable inconvenience to any person, provide information regarding any circumstances which may affect the assessment of a matter on the agenda or of the Issuer's financial situation (the latter normally only at the annual general meeting). Such duty to provide information applies also to the Issuer's relation to other group companies, the consolidated accounts and such circumstances regarding subsidiaries as specified in the foregoing sentence.

Right to receive dividends

Any declaration of dividends under Swedish law must be adopted by the general meeting. Dividends may only be declared to the extent there are distributable funds in the Issuer and to the extent that such declaration is prudent taking into consideration the demands, with respect to size of shareholders' equity, which are imposed by the nature, scope and risks associated with operations and the Issuer's need to strengthen its balance sheet, liquidity and financial position. The shareholders may not, as a general rule, declare higher dividends than the Board of Directors has proposed or approved.

Shareholders owning in aggregate a tenth of all outstanding Shares have the right to demand payment of dividends from the profits of the Issuer. Following such request, the Annual General Meeting shall resolve upon the distribution of one-half of the remaining profit for the year pursuant to the adopted balance sheet after certain deductions have been made. The general meeting is not, however, obliged to resolve upon dividends in excess of 5 per cent. of the Issuer's shareholders' equity. Further, the general meeting may never declare dividends in excess of distributable funds nor in violation of the prudence rule described above.

Dividends are normally paid in cash but may also be paid in kind. Persons registered as owners of the Shares in the share register on the record date established by the general meeting will be entitled to receive dividends.

Neither the Swedish Companies Act (*Sw: aktiebolagslagen (2005:551)*) nor the Issuer's Articles of Association contain any restrictions regarding the dividend rights of shareholders resident outside Sweden. With the exception of any restrictions pursuant to the bank and clearing system, payment to such shareholders is

executed in the same manner as for shareholders resident in Sweden. However, shareholders with a tax domicile outside Sweden are normally subject to Swedish withholding tax. See “*Taxation – Sweden Taxation*”.

Preferential rights in case of new share issues

In the event that the Issuer resolves to issue new Shares, whether in a cash issue or an issue where the new Shares shall be paid for by way of set-off, all shareholders will typically have preferential rights to the new Shares in relation to the number of Shares held in the Issuer. For details of circumstances in which there will be an adjustment to the Floor Price in connection with any Automatic Conversion, please see the “*Terms and Conditions of the Notes*”. For the avoidance of doubt, any new Shares issued pursuant to the conversion of the Notes (in accordance with their terms) will not be subject to the preferential rights of the shareholders mentioned above.

Share repurchases by the Issuer

Since the Shares are listed on a regulated market, the Swedish Companies Act (*Sw: aktiebolagslagen (2005:551)*) allows the Issuer to repurchase Shares in a total number not exceeding 10 per cent. of the outstanding shares, either by purchasing them on a regulated market or by way of a public offering. Any decision by the Issuer to repurchase Shares must be made by a general meeting of shareholders or by the board of directors following a mandate given by a general meeting of shareholders, in both cases requiring a majority of at least 2/3 of the votes cast as well as of the Shares represented at the meeting.

Information to shareholders

The Issuer normally discloses information to its shareholders by publication of press releases and/or by making the information available on its website.

Compulsory acquisition proceedings

Pursuant to the Swedish Companies Act (*Sw: aktiebolagslagen (2005:551)*), a shareholder that directly or indirectly holds more than 90 per cent. of the Shares is entitled to acquire the other shareholders' Shares and each minority shareholder is entitled to require such majority shareholder to acquire its Shares. A majority shareholder that exercises such right to acquire the outstanding Shares in the Issuer is also entitled to acquire any convertibles (including the Notes) or warrants issued by the Issuer. Each holder of such convertibles or warrants (including the Noteholders) is entitled to require the majority shareholder to acquire its convertibles (including the Notes) or warrants notwithstanding that the majority shareholder does not exercise its right to acquire the outstanding Shares. If an agreement on the purchase price cannot be reached between the parties, the purchase price shall be determined through arbitration and generally be the price which could be expected in a sale under normal circumstances. A shareholder or a holder of a convertible or a warrant who does not participate in the arbitration will be represented by a trustee appointed by the SCRO.

Transfers of Shares

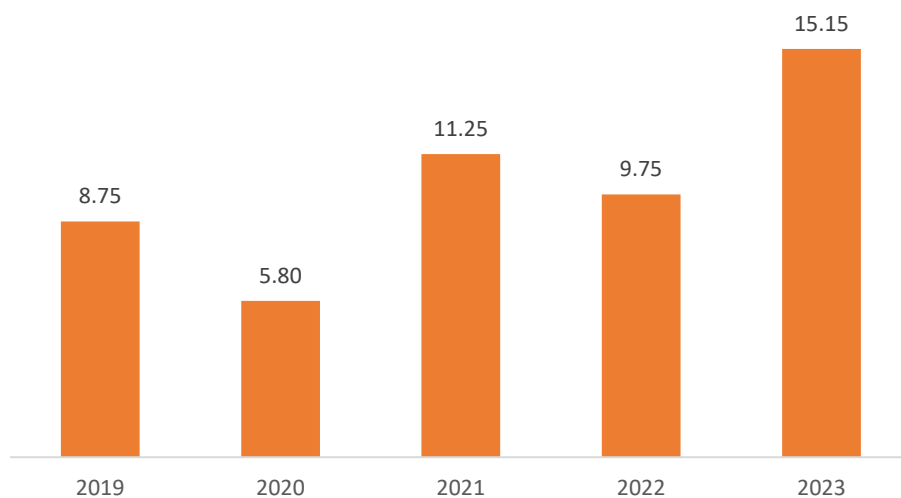
A transfer of Shares must be registered in the electronic securities system of Euroclear Sweden AB to give the transferee shareholder rights in relation to the Issuer. Transfers are usually made through one or more financial intermediaries such as banks, stockbrokers etc. who are connected to Euroclear Sweden AB and may register the transfer.

Trading and historic performance

The ticker name of the Shares is “SWED A” and the ISIN code is SE0000242455.

The following chart and table show the dividends on the Shares for the previous five years:

Dividend per share distributed by year of earnings, SEK



Source: Swedbank Annual Report 2023.

Dividend period	2023	2022	2021	2020	2019
Cash dividend per A share, SEK	9.75	11.25 ¹	14.55	-	14.20
Dividend per share distributed by year of earnings	15.15 ²	9.75	11.25 ¹	5.80	8.75
Dividend policy, %	50	50	50	50	50
Dividend growth, A share %	55	-13	94	-34	-38
Yield per year-end, A shares, per cent ³	7.5	5.5	6.2	4.0	6.3

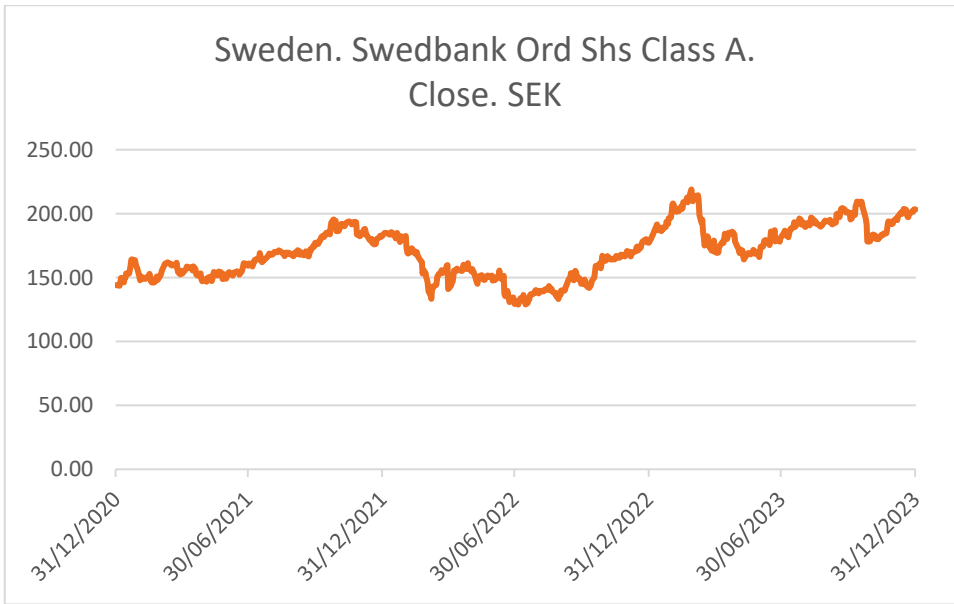
¹ Includes special dividend of SEK 2.00 per share

² Board proposal to the AGM 2024

³ Based on share price at year-end

Source: Swedbank Year End report 2019-2023

The following chart shows the market price of the Shares during the previous three years:



Source: Nasdaq Stockholm

14 Taxation

14.1 Swedish Taxation

The following summary is a general description of certain Swedish tax considerations in relation to the Notes and Conversion Shares for holders who are not residents of Sweden for income tax purposes. It does not purport to be a complete analysis of all potential aspects of Swedish taxation and is neither intended to be nor should it be construed as legal or tax advice. Prospective purchasers of the Notes are urged to consult their professional advisers as to the tax consequences of acquiring, holding or disposing of Notes and Conversion Shares. This summary is based upon the laws of Sweden as in effect on the date of this Offering Circular and is subject to any change in law that may take effect after such date.

Under Swedish law payments of any principal or any amount that is considered to be interest for Swedish tax purposes to a Noteholder 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 does not provide for deduction or withholding for or on account of taxes on payments of any principal or interest to a Noteholder, except on payment of interest, and any other yield on any Notes which is paid at the same time as interest, to a Noteholder who is a private individual (or an estate of a deceased individual) with tax residence in Sweden.

Subject to what is set out below, a holder of a Note or a Conversion Share that 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 or Conversion Shares are effectively connected will not be the subject of any Swedish income taxes in connection with the conversion of any Note into Conversion Shares or in connection with the disposal of any Note or Conversion Share. However, such a holder of a Conversion Share will be subject to Swedish withholding tax on any dividend payments and certain other distributions in relation to the Conversion Shares (*Sw: kupongskatt*) at a tax rate of 30 per cent. (subject to any exemptions under Swedish law or exemptions or reduced tax rates under any applicable tax treaty for the avoidance of double taxation).

Private individuals who have been residents of Sweden or have had a habitual abode in Sweden at any time during a particular calendar year of a disposal or redemption, or during the preceding ten calendar years, are liable for capital gains taxation in Sweden upon a disposal of Conversion Shares and upon a disposal or redemption of Notes if the Notes were to be deemed equity related for Swedish tax purposes. Further, the conversion of the Notes into Conversion Shares may trigger capital gains taxation for such private individuals. In a number of cases though, the applicability of these rules is limited by the applicable tax treaty for the avoidance of double taxation.

14.2 The Proposed Financial Transaction Tax (“FTT”)

On 14 February 2013, the European Commission published a proposal (the “Commission’s Proposal”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “participating Member States”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

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.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. 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.

14.3 FATCA Withholding

Pursuant to certain provisions of U.S. law, commonly known as FATCA, a “foreign financial institution” may be required to withhold at a rate of 30 per cent. on certain payments it makes (“foreign passthru payments”) (including an intermediary through which Notes are held) 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 (“IGAs”), 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. Holders should consult their own tax advisors 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.

15 Subscription and Sale

The Joint Lead Managers have, pursuant to a Subscription Agreement (the “Subscription Agreement”) dated 9 February 2024, jointly and severally agreed to subscribe and pay or, in the case of Swedbank AB (publ) (in its capacity as a joint lead manager), to procure subscribers, for the Notes at the issue price of 100.00 per cent. of the principal amount of the Notes. The Issuer will pay a commission to the Joint Lead Managers pursuant to the Subscription Agreement. The Issuer will also reimburse the Joint Lead Managers in respect of certain of their expenses, and has agreed to indemnify the Joint Lead Managers against certain liabilities incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment to the Issuer.

15.1 General

No action has been or will be taken in any country or jurisdiction by the Issuer or the Joint Lead Managers that would permit a public offering of the 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 Offering Circular comes are required by the Issuer and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver the Notes or have in their possession or distribute such offering material, in all cases at their own expense.

15.2 United States of America

Regulation S Category 2

The Notes and any Conversion Shares to be delivered following the occurrence of a Trigger Event (as defined in the Terms and Conditions of the Notes) have not been and will not be registered under 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 this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes 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 U.S. persons, except in certain transactions permitted by United States Treasury regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and Treasury regulations promulgated thereunder.

Each Joint Lead Manager has represented and agreed that it will not offer, sell or deliver such Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date of such Notes, within the United States or to, or for the account or benefit of, U.S. persons. Each Joint Lead Manager has further agreed that it will send to each dealer to which it sells any Notes during the distribution compliance period 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. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of the Notes, an offer or sale of such 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 an available exemption from registration under the Securities Act.

15.3 Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has represented and agreed 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 Offering Circular 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 both) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

15.4 United Kingdom

Prohibition of sales to UK Retail Investors

Each Joint Lead Manager has represented and agreed 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 Offering Circular in relation thereto to any retail investor in the UK. For the purposes of this provision the expression “retail investor” means a person who is one (or both) 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 in the UK 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 in the UK by virtue of the EUWA.

Other regulatory considerations

Each Joint Lead Manager has further represented and agreed that:

- (i) 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 the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

15.5 Canada

Each Joint Lead Manager has represented and agreed that the Notes may be offered, sold and delivered only to purchasers in Canada 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 Offering Circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal adviser.

15.6 Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per la Società e la Borsa* ("CONSOB") pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Offering Circular or of any other document relating to the Notes be distributed in the Republic of Italy, except in accordance with any Italian securities tax and other applicable laws and regulation.

Each Joint Lead Manager has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver any Notes or distribute any copy of this Offering Circular or any other document relating to the Notes in the Republic of Italy except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the "Financial Services Act") and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999 ("Regulation No. 11971"), all as amended from time to time; or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

In any event, any offer, sale or delivery of the Notes or distribution of copies of this Offering Circular or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must:

- (i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993 (the "Banking Act"), all as amended from time to time; and
- (ii) comply with any other applicable laws and regulations, including any limitation or requirements 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.

15.7 Singapore

Each Joint Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold the Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell the Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (b) to an accredited investor

(as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

15.8 Hong Kong

Each Joint Lead Manager has represented and agreed that:

- (i) 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
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

16 General Information

1. Application has been made to Euronext Dublin for the Notes to be admitted to the Official List of Euronext Dublin and trading on the GEM of Euronext Dublin with effect from the Issue Date.
2. The issue of the Notes was duly authorised by the Issuer at a meeting of the board of directors held on 6 February 2024.
3. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN in respect of the Notes is XS2759983385 and the Common Code in respect of the Notes is 275998338. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. Euroclear and Clearstream, Luxembourg are the entities in charge of keeping the records.
4. There has been no significant change in the financial or trading position of the Group since 31 December 2023. There has been no material adverse change in the prospects of the Issuer since 31 December 2022.
5. Except as disclosed in this Offering Circular under the heading “*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 “*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.
6. PricewaterhouseCoopers AB (Authorised Public Accountants) of Torsgatan 21, SE-113 97, Stockholm, Sweden have audited the financial statements of the Issuer for the financial years ended 31 December 2022 and 31 December 2021.

PricewaterhouseCoopers AB is a member of FAR, the professional institute for authorised public accountants (*Sw: auktoriserade revisorer*), approved public accountants (*Sw: godkända revisorer*) and other highly qualified professionals in the accountancy sector in Sweden.
7. For so long as Notes are listed on the Official List of Euronext Dublin and admitted to trading on the GEM of Euronext Dublin, hard copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the offices of the Issuer (which, at the date of this Offering Circular, are at SE-105 34 Stockholm, Sweden) and the specified office of the Fiscal Agent in London:
 - (a) Certificate of Registration and Articles of Association of the Issuer;
 - (b) the Agency Agreement;
 - (c) the Deed of Covenant;
 - (d) the audited consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2022 and 2021, in each case together with the audit reports prepared in connection therewith; and
 - (e) the unaudited financial information in the published unaudited interim report of the Issuer as at 31 December 2023.

8. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with this Offering Circular and is not itself seeking admission of the Notes to the Official List or to trading on the GEM of Euronext Dublin.
9. Some of the Joint Lead Managers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. The Joint Lead Managers and/or their affiliates may receive allocations of Notes (subject to customary closing conditions), which could affect future trading of the Notes. Certain of the Joint Lead Managers 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 Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.
10. The indication of the yield of the Notes is 7.747 per cent. (on a semi-annual basis) and is calculated as at the date of this Offering Circular on the basis of the issue price and the Initial Rate of Interest. It is not an indication of future yield.
11. The language of this Offering Circular 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.
12. Permanent Global Notes, Definitive Notes, and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"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."

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