

Final Terms dated 12 May 2008

SWEDBANK AB (publ)

Issue of

SEK 873,000,000 Non-Cumulative Perpetual Capital Securities

under the

U.S.\$20,000,000,000 Global Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 22 May 2007 (the "Prospectus"), as supplemented by supplementary prospectuses dated 8 August 2007, 11 September 2007, 6 November 2007, 18 February 2008, 24 April 2008 and to be dated on or about 12 May 2008, which together constitute a base prospectus for the purposes of Directive 2003/71/EC (the "Prospectus Directive"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus as so supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus as so supplemented. The Prospectus and the supplementary prospectuses are available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/en-gb/pricenews/marketnews/ and copies may be obtained from the registered office of the Issuer at Brunkebergstorg 8, SE-105 34 Stockholm and from the specified office of the Principal Paying Agent in London.

1. **Issuer:** Swedbank AB (publ)
2. (i) **Series Number:** 101
(ii) **Tranche Number:** 1
3. **Specified Currency or Currencies:** Swedish Kronor ("SEK")
4. **Aggregate Nominal Amount:**
 - (i) **Series:** SEK 873,000,000
 - (ii) **Tranche:** SEK 873,000,000
5. **Issue Price:** 100 per cent. of the Aggregate Nominal Amount
6. (i) **Specified Denomination:** SEK 1,000,000
(ii) **Calculation Amount:** SEK 1,000,000
7. (i) **Issue Date:** 12 May 2008
(ii) **Interest Commencement Date:** 12 May 2008
8. **Maturity Date:** None. The Notes are Non-cumulative Perpetual Capital Securities issued on an undated, unsecured and subordinated basis as set out herein. See the Schedule hereto.

9. **Interest Basis:** Interest-bearing, subject as further provided herein
10. **Redemption/Payment Basis:** Conditions 5(a), (b) and (c) shall be deemed deleted and replaced by the provisions set out in the Schedule hereto.
11. **Change of Interest Basis or Redemption/Payment Basis:** See paragraphs 15 and 16 below.
12. **Put/Call Options:** Issuer Call: see the Schedule hereto.
13. (i) **Status of the Notes:** Non-cumulative Perpetual Capital Securities issued on an undated, unsecured and subordinated basis as set out in the Schedule hereto. Condition 3(c) shall not apply to the Notes.
- (ii) **Date Board approval for issuance of Notes obtained:** 11 April 2008
14. **Method of distribution:** Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions:** Applicable, subject as provided in paragraph 2 of the Schedule hereto, from and including the Issue Date to but excluding the Interest Payment Date falling in September 2018.
(Condition 4(a))
- (i) **Rate(s) of Interest:** 8.278 per cent. per annum payable semi-annually in arrear except that the first Fixed Interest Period will begin on and include 12 May 2008 and will end on but exclude 17 September 2008, subject as provided in paragraph 2 of the Schedule hereto.
- (ii) **Interest Payment Date(s):** (a) 17 March and 17 September in each year from (and including) 17 September 2008 to (and including) 17 September 2018 provided that the Interest Payment Dates due to fall on 17 September 2016, 17 March 2017, 17 September 2017, 17 March 2018 and 17 September 2018 shall be subject to adjustment in accordance with the Modified Following Business Day Convention except that no adjustment shall be made to the Fixed Coupon Amounts due on such dates as a result of any such adjustment to such Interest Payment Dates and (b) each Utilisation Date (as defined in paragraph 1.2 of the Schedule hereto), if any, and each Reconversion Date (as defined in paragraph 1.2 of the Schedule hereto), if any.

- (iii) Fixed Coupon Amount(s): The Fixed Coupon Amount in respect of each Fixed Interest Period will be calculated in accordance with Condition 4 and references therein to "outstanding nominal amount" shall be construed, in relation to a Fixed Interest Period, as references to the Existing Principal Amount (as defined in paragraph 1 of the Schedule) from time to time during such Fixed Interest Period. If the Existing Principal Amount of a Note during a Fixed Interest Period is at all times during such period SEK 1,000,000 then the Fixed Coupon Amount will equal SEK 41,390 except that, if the Existing Principal Amount of a Note during the Fixed Interest Period ending on but excluding 17 September 2008 is at all times during such period SEK 1,000,000 then the Fixed Coupon Amount in respect of that Fixed Interest Period will equal SEK 28,743. If the Notes are in definitive form and, in respect of any Fixed Interest Period, the principal amount of the Notes has been written down pursuant to the provisions of paragraph 1 of the Schedule hereto, interest in respect of such Fixed Interest Period shall be calculated by reference to the Existing Principal Amount of each Note in definitive form in such manner as the Trustee and the Issuer shall agree.
- (iv) Broken Amount(s):
(Applicable to Notes in definitive form) Not Applicable
- (v) Day Count Fraction: 30/360
- (vi) Determination Dates: 17 March and 17 September in each year
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: Not Applicable
16. **Floating Rate Note Provisions:** Applicable, subject as provided in paragraph 2 of the Schedule hereto, from (and including) the Interest Payment Date falling in September 2018.
- (i) Specified Period(s)/Specified Interest Payment Dates: (a) 17 March and 17 September in each year from (and including) 17 March 2019 subject to adjustment in accordance with the Business Day Convention and (b) each Utilisation Date, if any, and each Reconversion Date, if any.
- (ii) Business Day Convention: Modified Following Business Day Convention
- (iii) Additional Business Centre(s): Not Applicable
- (iv) Manner in which the Rate(s) of Interest is/are to be determined: Screen Rate Determination

- (v) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Principal Paying Agent): Not Applicable
- (vi) Screen Rate Determination: Applicable

The provisions of Condition 4(b)(ii)(B) shall be deemed to be deleted and the following substituted therefor:

“Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the rate for deposits in Swedish Kronor for a period of six months which appears on the Reuters Screen SIDE Page (or any successor display page that has been officially designated by the sponsor of the original page source or if the sponsor has not officially designated a successor display page, the successor display page, if any, designated by the relevant information vendor or provider (if different from the sponsor)) under the caption “FIXINGS” as of 11:00 a.m., Stockholm time, on the day that is two Stockholm Banking Days preceding the first day of such Interest Period plus the Margin.

If such rate does not appear on the Reuters Screen SIDE page, the Rate of Interest for that Interest Period will be determined on the basis of the rates at which deposits in Swedish Kronor are offered by the Reference Banks at approximately 11:00 a.m., Stockholm time, on the day that is two Stockholm Banking Days preceding the first day of that Interest Period to prime banks in the Stockholm interbank market for a period of six months commencing on the first day of that Interest Period and in a Representative Amount.

The Principal Paying Agent will request the principal Stockholm office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided, the Rate of Interest for that Interest Period will be arithmetic mean of the quotations plus the Margin.

If fewer than two quotations are provided as requested, the Rate of Interest for that Interest Period will be arithmetic mean of the rates quoted by major banks in Stockholm, selected by the Principal Paying Agent, at approximately 11:00 a.m., Stockholm time, on the first day of that Interest Period for loans in Swedish Kronor to leading European banks for a period of six months commencing on the first day of that Interest Period and in a Representative Amount plus the Margin.

As used above:

“Reference Banks” means four major banks in the Stockholm interbank market selected by the Principal Paying Agent;

“Representative Amount” means an amount that is representative for a single transaction in the relevant market at the relevant time; and

“Stockholm Banking Day” means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Stockholm.”

(vii)	ISDA Determination:	Not Applicable
(viii)	Margin(s):	+ 4.50 per cent. per annum
(ix)	Minimum Rate of Interest:	Not Applicable
(x)	Maximum Rate of Interest:	Not Applicable
(xi)	Day Count Fraction:	Actual/360
(xii)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	As per the Conditions except that the Interest Amount in respect of each Interest Period will be calculated in accordance with Condition 4 and references therein to "outstanding nominal amount" shall be construed, in relation to an Interest Period, as references to the Existing Principal Amount from time to time during such Interest Period. If the Notes are in definitive form and, in respect of any Interest Period, the principal amount of the Notes has been written down pursuant to the provisions of paragraph 1 of the Schedule hereto, interest in respect of such Interest Period shall be calculated by reference to the Existing Principal Amount of each Note in definitive form in such manner as the Trustee and the Issuer shall agree.
17.	Zero Coupon Note Provisions:	Not Applicable

18. **Index-Linked Interest Note/other variable-linked interest Note Provisions:** Not Applicable
19. **Dual Currency Interest Note Provisions:** Not Applicable

PROVISIONS RELATING TO REDEMPTION

20. **Issuer Call:** Applicable: see the Schedule hereto
21. **Investor Put:** Not Applicable
22. **Final Redemption Amount:** Not Applicable
23. **Early Redemption Amount:**

Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default or other early redemption and/or the method of calculating the same (if required or if different from that set out in Condition 5(e)):

Not Applicable: see the Schedule hereto

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. **Form of Notes:**
- (i) **Form:** **Bearer Notes**
Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Bearer Notes only upon an Exchange Event.
- (ii) **New Global Note:** No
25. **Additional Financial Centre(s) or other special provisions relating to Payment Days:** Not Applicable
26. **Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):** Yes, a Talon, which is exchangeable for further Coupons, shall be attached to a Note in definitive form (if any). After all the Coupons attached to, or issued in respect of, any Note have matured (expected to be on the 25th Interest Payment Date following the Issue Date and every 27th Interest Payment Date thereafter), further Coupons and one further Talon shall be issued against presentation and surrender of the relevant Talon. In the Conditions and the Schedule hereto, the expression "Coupon" shall, where the context so requires, include Talons.
27. **Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made:** Not Applicable

28. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: Not Applicable
29. Redenomination, renominatisation and reconventioning provisions: Not Applicable
30. Consolidation provisions: Not Applicable
31. Additional United States Federal Income Tax Considerations: Not Applicable
32. Other final terms: See the Schedule hereto and:
- (i) Condition 4(f) shall not apply to the Notes; and
 - (ii) The provisions of paragraphs 1 and 2 of the Schedule hereto shall be governed by, and construed in accordance with, the laws of the Kingdom of Sweden.

DISTRIBUTION

33. (i) If syndicated, names of Managers: Not Applicable
- (ii) Stabilising Manager(s) (if any): Not Applicable
34. If non-syndicated, name of Dealer: Swedbank AB (publ)
35. Total (underwriting and placing) commission and concession: Not Applicable
36. Whether TEFRA D rules are applicable or TEFRA rules are not applicable: TEFRA D
37. Additional selling restrictions: Not Applicable

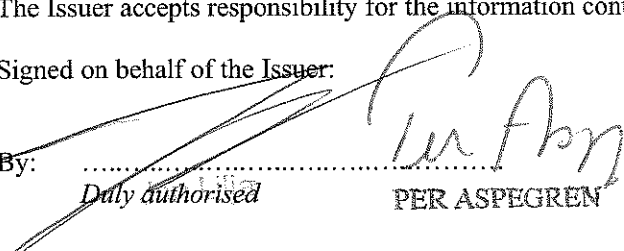
LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the U.S.\$20,000,000,000 Global Medium Term Note Programme of Swedbank AB (publ).

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By: 
Duly authorised
 PER ASPEGREN

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

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|---|---|
| (i) Listing: | London |
| (ii) Admission to trading: | Application has been made for the Notes to be admitted to trading on the London Stock Exchange's EEA Regulated Market with effect from on or about 13 May 2008. |
| (iii) Estimate of total expenses related to admission to trading: | £4,700 |

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

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

3. YIELD

Indication of yield:	In respect of the period from (and including) the Issue Date to (but excluding) the Interest Payment Date falling in September 2018, the yield on the Notes will be 8.278 per cent. per annum.
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The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

4. OPERATIONAL INFORMATION

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|---|--|
| (i) ISIN Code: | XS0363160127 |
| (ii) Common Code: | 036316012 |
| (iii) Cusip: | Not Applicable |
| (iv) CINS: | Not Applicable |
| (v) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, société anonyme (together with the address of each such clearing system) and the relevant identification number(s): | Not Applicable |
| (vi) Settlement procedures: | Customary medium term note settlement and payment procedures apply |
| (vii) Delivery: | Delivery against payment |
| (viii) Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |

(ix) Intended to be held in a manner which would allow Eurosystem eligibility: No

SCHEDULE

1. STATUS AND SUBORDINATION

Condition 3(c) shall not apply to the Notes.

1.1 Status and Subordination

The Notes are Capital Securities and constitute unsecured and subordinated obligations of the Issuer.

In the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, the rights of the Holders of Notes to payments of the principal amount of the Notes and any other amounts due in respect of the Notes, whether or not the whole or any part of the principal amount of the Notes has been made available in meeting losses of the Issuer and such amount has been converted into capital contributions as described below, shall rank:

- (i) junior in right of payment to the payment of any present or future claims of (a) depositors of the Issuer, (b) other unsubordinated creditors of the Issuer, and (c) subordinated creditors of the Issuer in respect of Subordinated Indebtedness (as defined below) other than Capital Securities (*primärkapitaltillskottbevis*) (as defined below) and any other obligations of the Issuer expressed to rank junior to the Notes;
- (ii) *pari passu* without any preference among the Notes;
- (iii) *pari passu* with the claims of any other subordinated creditors the claims of which are expressed to rank *pari passu* with the Notes whether or not the relevant obligations are converted in the manner described below;
- (iv) at least *pari passu* with any other outstanding Capital Securities (*primärkapitaltillskottbevis*) whether or not such Capital Securities have been converted in the manner described below and any other Tier 1 Capital of the Issuer (whether or not converted as aforesaid); and
- (v) in priority to payments to holders of all classes of share capital of the Issuer in their capacity as such holders and any obligation of the Issuer expressed to rank junior to the Notes.

No right of set-off or counterclaim

No Holder of Notes who shall in the event of the liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer be indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Notes held by such Holder.

Issuance of Further Capital Securities

The Issuer reserves the right to issue other Capital Securities (*primärkapitaltillskottbevis*) in the future, provided, however, that any obligations in respect thereof may not in the event of voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer rank prior to the Notes.

1.2 Utilisation and Conversion

To the extent that may be required to avoid the Issuer being obliged to enter into liquidation (*likvidation*), the shareholders of the Issuer, by resolution passed at a general meeting, may decide that the principal amount (or part thereof, as the case may be) of each Note will be utilised in meeting losses of the Issuer by writing down the principal amount of each Note by the amount required to avoid liquidation and converting such amount (the "Converted Amount") into a

conditional capital contribution (*villkorat kapitaltillskott*). The date upon which such resolution is passed at a general meeting of the shareholders of the Issuer is hereinafter referred to as the "Utilisation Date". The rights of the Holders of Notes in respect of the Converted Amount will thereupon be converted into rights of providers of capital contributions as set out below.

Upon utilisation of the Converted Amount as described above, the Issuer shall give notice to (i) the Trustee and (ii) the Holders of Notes in accordance with Condition 15.

References herein to the "original principal amount" of a Note are to the principal amount of such Note as of its date of issue, disregarding any utilisation as described above. References herein to the "Existing Principal Amount" are to the original principal amount less the Converted Amount plus any portion of the Converted Amount which has been reconverted and reinstated as debt hereunder. References to the "principal amount" of a Note are to either the original principal amount or the Existing Principal Amount, as the context requires.

Interest will not accrue on the Converted Amount but Holders of Notes may be compensated for loss of interest before payments to shareholders are made, as further described in paragraphs 3 and 4.

Utilisation of the Converted Amount for the purpose of meeting losses shall be made prior to the utilisation for the same purpose of perpetual/undated subordinated debt issued by the Issuer (other than Capital Securities (*primärkapitaltillskottbevis*)) but shall be made following the utilisation for the same purpose of the total principal amount of Capital Securities (*primärkapitaltillskottbevis*) ranking junior to the Notes (if any) and *pro rata* with the principal amount of Capital Securities (*primärkapitaltillskottbevis*) ranking *pari passu* with the Notes and outstanding at the time of such utilisation. Utilisation of the Converted Amount as aforesaid may only be made provided: (a) that the Swedish Financial Supervisory Authority (*Finansinspektionen*) (the "SFSA") shall have given its approval thereto; and (b) that the Articles of Association of the Issuer shall, in connection with the implementation of such decision, have been amended by the incorporation of a duly registered Article substantially to the following effect (unless the same is provided for under Swedish law or unless the Articles of Association have previously been amended in connection with a prior utilisation of the Notes or of other Capital Securities (*primärkapitaltillskottbevis*) for the purpose of meeting losses and such Article has not since been amended):

"Until an amount equal to such portion of subordinated indebtedness in the form of capital securities (*primärkapitaltillskottbevis*) and perpetual/undated subordinated notes (*eviga förlagsbevis*), which at any time has been converted into capital contribution/s (*villkorat kapitaltillskott*) has been reinstated as debt in full in the balance sheet of the Company, or such amount has been redeemed (such redemption having been approved by the SFSA) and, in respect of perpetual/undated subordinated notes, the Company has paid an amount equal to the interest that would have accrued in the absence of such conversion as aforesaid, the Company may neither distribute dividends nor otherwise make payments to its shareholders (except (i) in respect of claims that, in bankruptcy (*konkurs*) or liquidation (*likvidation*), would have priority in right of payment over subordinated indebtedness in the form of capital securities (*primärkapitaltillskottbevis*) and perpetual/undated subordinated notes (*eviga förlagsbevis*), or (ii) in connection with the distribution of assets in the event of merger as provided by law) nor redeem any capital contributions that may have been made by shareholders (*aktieägartillskott*). Notwithstanding the foregoing, the Company may, however, make payments to its shareholders, provided that, in connection with such payment, other measures are taken (a) to ensure that neither the capital stock (including restricted reserves) nor the non-restricted reserves of the Company will be reduced as compared with the amount of the capital stock (including restricted reserves) and of the non-restricted reserves prior to the payment decision or (b) which will otherwise ensure that the interests of the holders of the relevant capital notes and perpetual/undated notes are not adversely affected in any respect as a result of such payment to shareholders.

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

Utilisation (as described above) of the Notes shall not constitute an Event of Default under paragraph 3 of this Schedule.

Reconversion and Reinstatement

Reconversion and reinstatement (in whole or in part) as debt of the Converted Amount may only be made out of unappropriated earnings (*disponibla vinstmedel*) of the Issuer according to its current adopted balance sheet and subject to a resolution of the shareholders passed at a general meeting.

Reconversion and reinstatement shall first be made in respect of perpetual/undated subordinated debt other than in the form of Capital Securities (*primärkapitaltillskottbevis*) issued by the Issuer that may have been converted into capital contributions (*villkorat kapitaltillskott*).

Reconversion and reinstatement (in whole or in part) as debt of the Converted Amount shall be made *pro rata* with any amounts converted in respect of other Capital Securities (*primärkapitaltillskottbevis*) of the Issuer ranking *pari passu* with the Notes. For the avoidance of doubt, Capital Securities expressed to rank junior to the Notes shall be reconverted and reinstated as debt only after the Notes (and any other Capital Securities expressed to rank *pari passu* with the Notes) have been so reconverted and reinstated in full.

Upon reconversion and reinstatement as debt of the Converted Amount as described above the Issuer shall give notice to (i) the Trustee and (ii) the Holders of Notes in accordance with Condition 15.

During any period(s) in which part of the principal amount of the Notes has been made available and converted as aforesaid, interest shall (subject to paragraph 2 of this Schedule) accrue on the Existing Principal Amount at the relevant Rate of Interest.

If and to the extent the Converted Amount has been reconverted and reinstated as debt in the balance sheet of the Issuer as aforesaid, interest on the reconverted and reinstated debt shall start to accrue again, and become payable (subject to paragraph 2 of this Schedule) in accordance with Condition 4, as from the date (the "Reconversion Date") of such reconversion and reinstatement. For the avoidance of doubt, as specified above, each Reconversion Date is an Interest Payment Date but interest payable on such Interest Payment Date shall not take account of any principal reconverted and reinstated on such Reconversion Date.

For the purposes of these Notes:

“Available Distributable Funds” of the Issuer means the amount which, under the laws of the Kingdom of Sweden (including both corporate and bank regulatory laws, and rules and regulations relating to minimum capital requirements) from time to time in force, is available as of the end of any fiscal year according to the Issuer’s latest balance sheet adopted at a shareholders’ general meeting to be distributed by the Issuer to its shareholders, adjusted for, and only for, any net loss and profit incurred thereafter according to the Issuer’s then latest published interim report or, if published later, preliminary year end report.

“Capital Securities (*primärkapitaltillskottbevis*)” means any subordinated and undated debt instruments of the Issuer which are recognised as “*primärkapitaltillskottbevis*” from time to time by the SFSA including, where the context so requires, the Notes.

“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 (*likvidation*) or bankruptcy (*konkurs*) of the Issuer to the claims of depositors and all other unsubordinated creditors of the Issuer.

2. Sufficiency of Available Distributable Funds

Payments of interest on any Interest Payment Date may not exceed the Available Distributable Funds of the Issuer. To the extent that, on any Interest Payment Date, Available Distributable Funds are insufficient to pay in full all accrued but unpaid interest under the Notes and under other Capital Securities of the Issuer ranking *pari passu* with the Notes (in each case falling due on an Interest Payment Date), the Issuer will make partial payment of all accrued but unpaid interest under the Notes and such other Capital Securities *pro rata* to the extent of such Available Distributable Funds. If, and to the extent that Available Distributable Funds are insufficient or non-existent and the Issuer makes partial payment of, or does not pay, accrued but unpaid interest as aforesaid, the right of the Holders of Notes to receive accrued but unpaid interest in respect of the relevant Interest Period will be lost. The Issuer will have no obligation to make such payment of unpaid interest or to pay interest thereon, whether or not payments of interest in respect of subsequent Interest Periods are made, and such unpaid interest will not be deemed to have “accrued” or been earned for any purpose.

The Issuer has covenanted in a deed dated the Issue Date supplemental to the Trust Deed and entered into with the Trustee in connection with the issue of the Notes (the “Supplemental Trust Deed”) that, so long as any Note is outstanding (i) it will not issue any other Capital Securities ranking *pari passu* with the Notes the interest payment dates of which differ from the Interest Payment Dates, and (ii) it will inform the Trustee in writing of the issuance of any further such Capital Securities prior to such issuance.

The Issuer has further covenanted in the Supplemental Trust Deed that it will neither distribute dividends to its shareholders nor make payments of interest in respect of any Subordinated Indebtedness ranking junior to the Notes unless the two most recent scheduled payments on the Notes (or a payment which, but for the provision of this paragraph would have been a scheduled payment) have been made in full.

If the Issuer deems that it does not have sufficient Available Distributable Funds to pay accrued interest on the Notes on the next Interest Payment Date, the Issuer shall, if reasonably practicable and if so permitted by the applicable regulations of any stock exchange upon which the Issuer’s equity or debt is then listed, give not more than 14 nor less than five days’ prior notice to (i) the Trustee and (ii) the Holders of Notes in accordance with Condition 15.

The Issuer is responsible for determining whether it has Available Distributable Funds and, on any occasion when it determines it has insufficient Available Distributable Funds to pay accrued interest on the next Interest Payment Date, it will procure that two of its directors or other equivalent senior officers certify this to be the case, as further provided in the Supplemental Trust Deed, and the Trustee is entitled to rely on such certificate, without further investigation.

3. DEFAULT AND ENFORCEMENT

Condition 6 shall not apply to the Notes.

3.1 Each of the following events or circumstances (each an “Event of Default”) shall be an event of default in relation to the Notes:

- (i) the Issuer shall default in the payment of principal for a period of 15 days in respect of any Note which has become due and payable in accordance with the terms of the Notes; or
- (ii) the Issuer shall, to the extent that it is obliged to pay interest under the provisions of paragraph 2 above, default for a period of 15 days in the payment of interest due on any Note in accordance with the terms of the Notes; or
- (iii) a court or agency or supervisory authority in the Kingdom of Sweden (having jurisdiction in respect of the same) shall have instituted a proceeding or entered a decree or order for the appointment of a receiver or liquidator in any insolvency, rehabilitation, readjustment of debt, marshalling of assets and liabilities or similar arrangements involving the Issuer or all or substantially all of its property and such proceeding, decree or order shall not have been vacated or shall have remained in force undischarged or unstayed for a period of 60 days; or
- (iv) the Issuer shall file a petition to take advantage of any insolvency statute or shall voluntarily suspend payment of its obligations.

If any Event of Default shall have occurred and be continuing, the Trustee may at its discretion and, if so requested by Holders of at least one-quarter in original principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution (as defined in the Trust Deed), shall, subject in any case to having been indemnified or secured to its satisfaction, give written notice to the Issuer declaring the Notes to be forthwith due and payable, whereupon the same shall, subject to the provisions set out below in this paragraph 3, become immediately due and payable without further action and formality, whether or not the whole or any part of any Converted Amount has been reconverted and reinstated as debt, as follows:

- (a) at an amount equal to the original principal amount of the Notes, together with interest (if any) on their principal amount accrued to, but excluding, the due date for redemption (provided that the Issuer is obliged to make such payment of interest in accordance with the provisions of paragraph 2 above); plus
- (b) an amount (calculated as provided in paragraph 4.3 below) equal to the interest that the Issuer would (to the extent that there were, at the relevant times, Available Distributable Funds) have been required to pay in accordance with the provisions of Condition 4 and paragraph 2 above had no conversion taken place, from the Utilisation Date to, but excluding, the date for redemption or, to the extent that the Converted Amount has been reconverted and reinstated as debt prior to the date for redemption, to the date of such reconversion and reinstatement.

If a Note has been declared due and payable under this paragraph 3.1, the Trustee may institute such steps, including the obtaining of a judgment against the Issuer for any amount due in respect of the Notes, as it thinks desirable with a view to having the Issuer declared bankrupt (*konkurs*) or put into liquidation (*likvidation*) but not otherwise and, consequently, if the Notes become due and payable under this paragraph 3.1, the Issuer shall, except with the prior consent of the SFSA, only be required to make such payment after it has been declared bankrupt (*konkurs*) or put into liquidation (*likvidation*).

- 3.2 The Trustee may, at its discretion, institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Issuer under the Notes (other than, without prejudice to paragraph 3.1 above, any obligation for the payment of any principal or interest in respect of the Notes) provided that the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.
- 3.3 No remedy against the Issuer, other than as provided in paragraphs 3.1 and 3.2 above, or proving or claiming in the liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer in the Kingdom of Sweden or elsewhere, shall be available to the Trustee or the Holders of Notes, whether for the recovery of amounts owing in respect of the Notes or in respect of any breach by the Issuer of any of its obligations or undertakings with respect to the Notes or under the Trust Deed.

4. Redemption

- 4.1 Conditions 5(a), (b) and (c) shall be deemed to be deleted and the following substituted therefor:

"5(a) *No specified maturity date*

The Notes have no final maturity and are only redeemable or repayable in accordance with the following provisions of this Condition 5 or the applicable Final Terms.

(b) *Early Redemption for Taxation Reasons*

Subject to the prior written approval of the SFSA but subject as provided in the Final Terms, if:

- (A) (i) as a result of any change in the laws of the Kingdom of Sweden or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which becomes effective on or after the Issue Date of the first Tranche of the Notes on the occasion of the next payment due in respect of the Notes the Issuer would be required to pay additional amounts as provided in Condition 7 and (ii) such circumstances are evidenced by the delivery by the Issuer to the Trustee of a certificate signed by two directors of the Issuer stating that the said circumstances prevail and describing the facts leading thereto and an opinion of independent legal advisers of recognised standing addressed to the Trustee to the effect that such circumstances prevail (and the Trustee shall be entitled to accept such certificate and legal opinion as sufficient evidence that the said circumstances prevail in which event they shall be conclusive and binding on the Holders), or
- (B) a Tax Event occurs,

the Issuer may, at its option and having given no less than 30 nor more than 60 days' notice (ending, at any time up to (and including) the Interest Payment Date falling in September 2018) to (i) the Trustee and (ii) the Holders, in accordance with Condition 15 (which notice shall be irrevocable) redeem all (but not some only) of the Notes in accordance with the Final Terms.

A "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 (i) any amendment to, clarification of, or change (including any announced prospective change) in, the laws or treaties (or any regulations thereunder) of the Kingdom of Sweden or any political subdivision or taxing authority thereof or therein affecting taxation, (ii) any governmental

action or (iii) any amendment to, clarification of, or change in the official position or the interpretation of such governmental action or any interpretation or pronouncement that provides for a position with respect to such governmental action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification or change is made known, which amendment, clarification, or change is effective or such pronouncement or decision is announced on or after the Issue Date of the first Tranche of the Notes, there is more than an insubstantial risk that (A) the Issuer is, or will be, subject to more than a *de minimis* amount of other taxes, duties or other governmental charges or civil liabilities with respect to the Notes or (B) the treatment of any of the Issuer's items of income or expense with respect to the Notes as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Issuer will not be respected by a taxing authority, which subjects the Issuer to more than a *de minimis* amount of additional taxes, duties or other governmental charges.

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

Subject to the prior written approval of the SFSA but subject as provided in the Final Terms, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Holders in accordance with Condition 15; and
- (ii) not less than 15 days before the giving of the notice referred to in (i) above, notice to the Trustee and the Principal Paying Agent (copied to the other Paying Agents),

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes then outstanding on the Interest Payment Date falling in September 2018 or on any Interest Payment Date thereafter, in each case in accordance with the Final Terms."

4.2 Redemption on the occurrence of a Capital Event

Upon the occurrence of a Capital Event (as defined below) but subject as provided below and to the prior written approval of the SFSA, the Issuer may, at its option, having given not less than 30 days' or more than 60 days' notice to (i) the Trustee and (ii) the Holders in accordance with Condition 15 (which notice shall be irrevocable), redeem all (but not some only) of the Notes at any time up to (and including) the Interest Payment Date falling in September 2018 in accordance with paragraph 4.3 below.

For the purpose of the Notes:

A "Capital Event" means the determination by the Issuer (such determination to be binding on the Trustee and the Holders of Notes without further investigation), having received confirmation or similar proof thereof from the SFSA, that the Notes are no longer eligible for inclusion in Tier 1 Capital of the Issuer.

"Tier 1 Capital" means *Sw. primärt kapital* as specified in Chapter 3 Sections 2 and 4 of the Capital Adequacy and Large Exposures Act (*Sw. Lag (2006:1371) om kapitaltäckning och stora exponeringar*) and in Chapter 7 of the SFSA's regulations FFFS 2007:1, as amended or supplemented from time to time with respect to the definition of "*primärt kapital*".

4.3 Amount payable on redemption

Upon the expiry of any notice as is referred to in Condition 5(b) or 5(c) or paragraph 4.2 above, the Issuer shall be bound to redeem the Notes as follows:

- (i) at an amount equal to the original principal amount of the Notes, together with interest (if any) on their principal amount accrued to, but excluding, the due date for redemption (provided that the Issuer is obliged to make such payment of interest in accordance with paragraph 2 above); plus
- (ii) if a conversion and utilisation of the principal amount of the Notes (or part thereof) has occurred as provided herein, an amount (the "Interest Compensation Amount") equal to the interest that the Issuer would (to the extent that there were, at the relevant times, Available Distributable Funds) have been required to pay in accordance with paragraph 2 above from the Utilisation Date to the date of reconversion, had no conversion taken place.

4.4 The Interest Compensation Amount (if any) shall be calculated on the Converted Amount in respect of any relevant Fixed Interest Period or Interest Period, as the case may be, by applying the then applicable Rate of Interest to the Converted Amount and calculated as provided in Condition 4. No interest shall accrue, with respect to any period, on the Interest Compensation Amount. For the avoidance of doubt, the Interest Compensation Amount shall in no event be capitalised.

4.5 Save as provided in paragraph 3 above, the Issuer shall not redeem the Notes until any Converted Amount has been reconverted and reinstated as debt in full.