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BASE PROSPECTUS

Kommuninvest i Sverige Aktiebolag (publ)

(incorporated with limited liability in the Kingdom in Sweden)

Euro Note Programme
Guaranteed by certain regions of
Sweden and certain municipalities of Sweden

On 2 September 1993 the Issuer (as defined below) entered into a U.S.$1,500,000,000 Note Programme (the **Programme**) and issued a prospectus on that date describing the Programme. This document (the **Base Prospectus**) supersedes any previous prospectus. Any Notes (as defined below) issued under the Programme on or after the date of this Base Prospectus are issued subject to the provisions described herein. This does not affect any Notes issued before the date of this Base Prospectus.

Under this Euro Note Programme (the **Programme**) Kommuninvest i Sverige Aktiebolag (publ) (the **Issuer**, the **Company** or **Kommuninvest**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer(s) (as defined below).

The Notes may be issued in bearer or registered form (respectively the Bearer Notes and the Registered Notes).

Each Series (as defined on page 56) of Notes will be guaranteed by certain regions of Sweden and certain municipalities of Sweden. The final terms (the **Final Terms**) applicable to each Tranche (as defined on page 56) of Notes will specify the Guarantor (as defined in the terms and conditions of the Notes) in relation to that Tranche as of the issue date of that Tranche. However, other regions and municipalities of Sweden may subsequently become Guarantors under the Guarantee (as defined herein). The Guarantee will be in, or substantially in, the form set out in Schedule 8 to the Agency Agreement (as defined on page 55). As at the date hereof the Guarantee has already been given jointly and severally by 292 regions and municipalities of Sweden. For further information on the Guarantors at the date hereof see "*Ownership and Guarantee*" on page 100.

Subject as set out herein, the Notes will not be subject to any minimum or maximum maturity.

The Notes will be issued on a continuing basis to one or more of the Dealers specified on page 11 and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a **Dealer** and together the **Dealers**).

An investment in Notes issued under the Programme involves certain risks. For a description of these risks see "*Risk Factors*".

This Base Prospectus constitutes an alleviated base prospectus for the purposes of Chapter 2 of Part III of the Luxembourg Act dated 16 July 2019 on prospectuses for securities.

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme up to the expiry of 12 months from the date of this Base Prospectus to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange.

References in this Base Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU), as amended.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under **Terms and Conditions of the Notes**) of Notes will be set out in the applicable Final Terms which, with respect to Notes to be listed, will be filed with the Luxembourg Stock Exchange.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

Neither the Notes nor the Guarantee have been or will be registered under the Securities Act of 1933 of the United States, as amended (the **Securities Act**) or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)), unless an exemption from the registration requirements of the Securities Act is available and the offer or sale is made in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. The Notes may be offered and sold (a) in bearer form or registered form outside the United States to non-U.S. persons in reliance on Regulation S and (b) in registered form in the United States and to U.S. persons to persons who are both "qualified institutional buyers" (**QIBs**) within the meaning of and in reliance on Rule 144A under the Securities Act (**Rule 144A**) and "qualified purchasers" (**QPs**) within the meaning of Section 2(a)(51)(A) of the U.S. Investment Company Act of 1940, as amended (the **Investment Company Act**), and the rules and regulations thereunder. Prospective purchases who purchase under (b) above are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. The Issuer has not registered and does not intend to register, and no guarantor of the Notes is expected to register, as an investment company under the Investment Company Act, in reliance on the exemption provided by Section 3(c)(7) thereof. For a description of these and certain further restrictions on offers, sales and transfers of Notes and distributions of this Base Prospectus see "*Subscription and Sale and Transfer and Selling Restrictions*".

No prospectus is required in accordance with Regulation (EU) 2017/1129 (the **Prospectus Regulation**) for an issue of Notes under the Programme, accordingly this Base Prospectus does not comprise a prospectus for the purposes of the Prospectus Regulation.

Unless otherwise provided in the applicable Final Terms, the Notes of each Tranche (except Notes which are to be cleared through the Swedish Central Securities Depository & Clearing Organisation, Euroclear Sweden AB (**Euroclear Sweden**) or notes, other than Swedish Registered Notes (as defined below) in registered form (**Registered Notes**)) will initially be represented by a temporary global Note which will be deposited on the issue date thereof with either a common depositary (if the temporary global Note is not issued in new global note form) or a common safekeeper (if the temporary global Note is issued in new global note form), in either case on behalf of Euroclear Bank SA/NV (**Euroclear**), and Clearstream Banking S.A. (**Clearstream, Luxembourg**) and which will be exchangeable, as specified in the applicable Final Terms, for either a permanent global Note or Notes in definitive form, in each case upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations. A permanent global Note will be exchangeable for definitive Notes upon request all as further described in "*Form of the Notes*" herein. The Notes of each Tranche cleared through Euroclear Sweden will be issued in registered form in accordance with the Swedish Financial Instruments Accounts Act (SFS 1998:1479), as amended (**Swedish Registered Notes**). Each Tranche of Registered Notes will initially be represented by a global Note in registered form which will either (i) be deposited with a custodian for, and registered in the name of a nominee of, Depository Trust Company or (ii) be deposited with a common depositary or, if the registered global notes are to be held under the new safe-keeping structure, a common safekeeper, as the case may be for Euroclear and Clearstream, Luxembourg, and registered in the name of the nominee for the Common Depositary of, Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms. A registered global note will be exchangeable for definitive Registered Notes upon request all as further described in "*Form of the Notes*" herein.

The Programme is rated by Moody's Investors Service (Nordics) AB (**Moody's**) and by S&P Global Ratings Europe Limited (**S&P**). Tranches of Notes issued under the Programme may be rated or unrated. Where a tranche of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Programme. A security 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.

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The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which case a supplement to the Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Arranger
BofA Securities

Dealers

Barclays
BofA Securities
Crédit Agricole CIB
HSBC
Mizuho Securities
Nomura
TD Securities
BNP PARIBAS
Citigroup
Goldman Sachs Bank Europe SE
J.P. Morgan
MUFG
SMBC Nikko
Tokai Tokyo Securities Europe Limited

The date of this Base Prospectus is 11 June 2021.

The Issuer having made all reasonable enquiries, confirms that this Base Prospectus contains all information with respect to itself, the Guarantors set out on pages 111 to 114 and the Notes which is material in the context of the Programme, that the information contained in this Base Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Base Prospectus are honestly held and that there are no other facts the omission of which would make any of such information or the expression of any such opinions or intentions misleading. The Issuer confirms that each Final Terms will be true and accurate in all material respects.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus (and, therefore, acting in association with the Issuer) in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or the Managers and the persons named in or identifiable following the applicable Final Terms as the Financial Intermediaries, as the case may be.

Each Tranche of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" as amended and/or supplemented by the applicable Final Terms. This Base Prospectus must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the applicable Final Terms.

Certain information under the heading "*Book-entry Clearance Systems*" has been extracted from information provided by the clearing systems referred to therein. 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 the relevant clearing systems, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*" on page 9). This Base Prospectus shall be read and construed on the basis that such documents are incorporated in and form part of this Base Prospectus.

The Dealers have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Dealers as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by the Issuer. The Dealers do not accept any liability in relation to the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and all Guarantors. Neither this Base Prospectus nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

The delivery of this Base Prospectus does not at any time imply that the information contained herein concerning the Issuer or any of the Guarantors is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer or any of the Guarantors during the life of the Programme. Investors should review, *inter alia*, the most recent non-consolidated or consolidated financial statements, if any, of the Issuer when deciding whether or not to purchase any Notes.

The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Base Prospectus or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the United Kingdom, Belgium, Singapore, Japan and Switzerland (see "*Subscription and Sale and Transfer and Selling Restrictions*").

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

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

U.S. INFORMATION

This Base Prospectus is being submitted on a confidential basis in the United States to a limited number of prospective investors who are both QIBs and QPs for informational use solely in connection with the consideration of the purchase of certain Notes issued under the Programme. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted. Registered Notes may be offered or sold within the United States only to persons who are both QIBs and QPs in transactions exempt from registration under the Securities Act in reliance on Rule 144A or any other applicable exemption. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be being made in reliance upon the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A.

The Notes in bearer form for U.S. tax purposes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the Treasury regulations promulgated thereunder.

Each purchaser or holder of Notes represented by a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together *Legended Notes*) will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in "*Subscription and Sale and Transfer and Selling Restrictions*". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "*Form of the Notes*".

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are "restricted securities" within the meaning of the Securities Act, the Issuer has undertaken in a deed poll dated 14 June 2011 (the *Deed Poll*) to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Notes remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act and the Issuer is not a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, (the *Exchange Act*) or exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is incorporated in Örebro, Sweden as a limited liability company for an indefinite period in August 1986 on the local initiative of the County of Örebro (as it was then known) and municipalities in that county. All of the officers and directors named herein reside outside the United States and all or a substantial portion of the assets of the Issuer and of such officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process outside Sweden upon the Issuer or such persons, or to enforce judgments against them obtained in courts outside Sweden.

The Guarantors are certain regions and municipalities of Sweden. As a result, it may not be possible for investors to effect service of process outside Sweden upon the Guarantors or such persons, or to enforce judgments against them obtained in courts outside Sweden.

The United States and Sweden currently do not have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money against the Issuer rendered by any Federal or state court in the United States based on civil liability would not be enforceable in Sweden, and the party in whose favour such judgment was rendered would have to re-litigate the issues in a Swedish court of competent jurisdiction.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

Unless otherwise indicated, the financial information in this Base Prospectus relating to the Issuer has been derived from the audited financial statements of the Issuer for the financial year ended 31 December 2020 (including the comparative information as at and for the financial year ended 31 December 2019) (together, the *Financial Statements*).

The Issuer's financial year ends on 31 December, and references in this Base Prospectus to any specific year are to the 12-month period ended on 31 December of such year. The Financial Statements have been prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL), and the regulations and general recommendations of the Swedish Financial Supervisory Authority (Finansinspektionen) (the SFSA) regarding annual accounts for credit institutions and securities companies (FFFS 2008:25).

Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Base Prospectus will have the meaning attributed thereto in "*Terms and Conditions of the Notes*" or any other section of this Base Prospectus.

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

All references in this document to U.S. dollars, $ and U.S. cents refer to the currency of the United States of America, those to SEK and Swedish kronor refer to the currency of Sweden and those to 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 (the *Treaty*).

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

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE - The Final Terms in respect of any Notes may include a legend entitled "Singapore SFA Product Classification" which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the *SFA*).

The Issuer will make a determination in relation to each issue under the Programme of the classification of the Notes being offered for purposes of section 309B(1)(a). Any such legend included on the relevant Final Terms will constitute notice to each of the "relevant persons" for purposes of section 309B(1)(c) of the SFA.

MiFID II product governance / target market

The Final Terms in respect of any Notes may include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a *distributor*) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, *MiFID II*) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

UK MiFIR product governance / target market

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

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

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

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In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

(a) the most recently publicly available audited annual report and the publicly available unaudited interim financial statements of the Issuer for the most recent financial period; and

(b) the constitutional documents (in English) of the Issuer.

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

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the specified office of the Issuer and on the Issuer's website at *www.kommuninvest.se*. Written or oral requests for such documents should be directed to the Issuer at its registered office set out at the end of this Base Prospectus. In addition, such documents will be available, without charge, from the principal office in Luxembourg of Deutsche Bank Luxembourg S.A. (the **Listing Agent**) and on the website of the Luxembourg Stock Exchange at *www.bourse.lu*.

The Issuer will, in connection with the listing of the Notes on the Luxembourg Stock Exchange, so long as any Note remains outstanding and listed on such exchange, in the event of any material adverse change in the financial condition of the Issuer which is not reflected in the Base Prospectus, prepare a further supplement to the Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes to be listed on the Luxembourg Stock Exchange. If the terms of the Programme are modified or amended in a manner which would make the Base Prospectus, as supplemented, inaccurate or misleading, a new Base Prospectus will be prepared.

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GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuer may from time to time issue Notes denominated in any currency and having any maturity, subject as set out herein. A summary of the terms and conditions of the Programme and the Notes appears on pages 11 to 15. The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer(s) prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Final Terms attached to, or endorsed on, such Notes, as more fully described under "*Form of the Notes*" on page 35.

The aggregate nominal amount of Notes which may be issued and outstanding at any one time under the Programme is unlimited.

SUMMARY OF TERMS AND CONDITIONS OF THE PROGRAMME AND THE NOTES

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" below shall have the same meanings in this summary.

Issuer:	Kommuninvest i Sverige Aktiebolag (publ)
Legal Entity Identifier (LEI):	EV2XZWMLLXF2QRX0CD47
Guarantors:	Each Series of Notes will be guaranteed by certain regions and municipalities of Sweden. The Final Terms applicable to each Tranche of Notes will specify the Guarantors in relation to that Tranche as of the issue date of that Tranche. However, other regions and municipalities of Sweden may subsequently become Guarantors. The Guarantee will be in, or substantially in, the form set out in Schedule 8 to the Agency Agreement. As at the date hereof such a Guarantee has already been given jointly and severally by the regions and municipalities of Sweden set out on pages 111 to 114 for the commitments undertaken or to be undertaken by the Issuer, including the commitments of the Issuer in respect of the Notes. For further information on the Guarantors at the date hereof see "*Ownership and Guarantee*" on page 100.
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme (see "*Risk Factors*").
Description:	Note Programme
Arranger:	BofA Securities Europe SA
Dealers:	Barclays Bank Ireland PLC BNP Paribas BofA Securities Europe SA Citigroup Global Markets Europe AG Crédit Agricole Corporate and Investment Bank Goldman Sachs Bank Europe SE HSBC Continental Europe J.P. Morgan AG Mizuho Securities Europe GmbH MUFG Securities (Europe) N.V. Nomura International plc SMBC Nikko Capital Markets Europe GmbH TD Global Finance unlimited company Tokai Tokyo Securities Europe Limited
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale and Transfer and Selling Restrictions*" below).

Notes with a maturity of less than one year:	Notes having a maturity of less than one year from the date of their issue will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent.
Issue Directly:	The Issuer will be able to issue to person(s) other than the original Dealer by appointing such person(s) Dealer(s) for either a specific issue or issues or for the Programme.
Principal Paying agent:	Citibank, N.A., London Branch
U.S. paying agent:	Citibank, N.A., London Branch
Registrar:	Citigroup Global Markets Europe AG
U.S. Registrar:	Citigroup Global Markets Europe AG
Exchange agent:	Citibank, N.A.
Issuing Agent:	For Swedish Registered Notes, an account operator specifically authorised by Euroclear Sweden to process and register issues in the Euroclear Sweden system.
Amount:	The aggregate nominal amount of Notes which may be issued and outstanding at any one time under the Programme is unlimited.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.
Maturities:	Any maturity, as indicated in the applicable Final Terms (except such other minimum or maximum maturity as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency). Save as provided above, the Notes are not subject to any maximum maturity.
Issue Price:	Notes may be issued on a fully paid or a partly paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in bearer form or registered form as set out in the applicable Final Terms. Bearer Notes may be in new global note form and Registered Notes may be held under the new safe-keeping structure. Swedish Registered Notes will be issued in uncertificated and dematerialised book entry form. Registered Notes will not be exchangeable for Bearer Notes and *vice versa*.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and

the relevant Dealer.

Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined: (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or (c) on such other basis as may be agreed between the Issuer and the relevant Dealer. The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.
Fund Linked Notes:	Payments of principal in respect of Fund Linked Redemption Notes or of interest in respect of Fund Link Interest Notes will be calculated by reference to the value of units of shares in a fund or funds as the Issuer and the relevant Dealer may agree.
Index Linked Notes:	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree.
Other provisions in relation to Floating Rate Notes, Fund Linked Interest Notes and Index Linked Interest Notes:	Floating Rate Notes, Fund Linked Interest Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes, Fund Linked Interest Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer and specified in the applicable Final Terms.
Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption:	The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case

may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

The applicable Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

Notes issued on the terms that they must be redeemed before the first anniversary may be subject to restrictions on their denomination and distribution, see "*Notes with a maturity of less than one year*" above.

Denomination of Notes:	Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. See "*Certain Restrictions*" above.
Taxation:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed within Sweden, subject to customary exceptions as provided in Condition 9 of the terms and conditions of the relevant Notes. All payments in respect of the Notes will be made subject to any withholding or deduction required pursuant to FATCA or Section 871(m) of the U.S. Internal Revenue Code, as provided in Condition 7.2.
Negative Pledge:	The terms of Notes which are, unless otherwise specified in the applicable Final Terms, unsecured and unsubordinated will contain a negative pledge provision as described in Condition 4 of the terms and conditions of the relevant Notes.
Cross Default:	The terms of the Notes will contain a cross-default provision relating to any Borrowing of the Issuer as defined and further described in Condition 11 of the terms and conditions of the relevant Notes.
Status of the Notes:	Unless otherwise specified in the applicable Final Terms, the Notes will constitute direct, unconditional, general and (subject to the provisions of Condition 4 of the terms and conditions of the Notes) unsecured obligations of the Issuer and will rank *pari passu*, without any preference among themselves, with all other present or future outstanding, unsecured and unsubordinated obligations of the Issuer.
Status of the Guarantee:	The obligations of each Guarantor will be joint and several and will constitute direct, unconditional, general and unsecured obligations of that Guarantor and will rank *pari passu* with all other present or future outstanding unsecured and unsubordinated obligations of that Guarantor. The guarantee in relation to a Series of Notes may be enforced separately in relation to each Guarantor of that Series in the Courts of Sweden upon failure by the Issuer to perform any obligation in respect of the Notes of that Series and without exhaustion of remedies against the Issuer or any other Guarantor of that Series.
Rating:	The Programme is rated by Moody's Investors Service (Nordics) AB and by S&P Global Ratings Europe Limited. Tranches of Notes issued under the Programme may be rated or unrated. Where a tranche of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Programme. The rating of any tranche of Notes to be issued under the Programme which has been rated will be specified in the applicable Final Terms. A security 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.
Listing and admission to trading:	Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme up to the expiry of 12 months from the date of this Base Prospectus to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Notes may also be listed on such other or further stock exchange(s) or other relevant authorities as may be agreed between the Issuer and the relevant Dealer(s) in relation to each issue. Unlisted Notes may also be issued. The Final Terms relating to each issue will state whether or not the Notes are to be listed. Swedish Registered Notes will not be listed on the Luxembourg Stock Exchange.
Governing Law:	The Notes (other than the Swedish Registered Notes) and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law. The Swedish Registered Notes and any non-contractual obligations arising out of or in connection with the Swedish Registered Notes will be governed by, and shall be construed in accordance with, Swedish law.
Clearing Systems:	Euroclear and/or Clearstream, Luxembourg and/or Euroclear Sweden and/or DTC or, in relation to any Tranche of Notes, any other clearing system.
Selling Restrictions:	There are selling restrictions in relation to the United States, the United Kingdom, Belgium, Singapore, Japan and Switzerland and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "*Subscription and Sale and Transfer and Selling Restrictions*".
United States Selling Restrictions:	Regulation S Category 2, Rule 144A and section 3(c)(7) QPs, TEFRA C or D/TEFRA not applicable, as specified in the applicable Final Terms. ERISA restrictions.

RISK FACTORS

Investing in the Notes involves certain risks. The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but it is not possible to identify all risks or to determine which risks are most likely to occur as the Issuer may not be aware of all relevant risks and certain risks which it currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's control. The inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should read the entire Base Prospectus and reach their own views prior to making any investment decision.

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section. Prospective investors should consider, among other things, the following:

Factors which may affect Kommuninvest's ability to fulfil its obligations under Notes issued under the Programme:

Risks relating to disruptions in the global credit markets and economy

Since 2007, international capital markets have been affected by periods of turbulence, particularly following the bankruptcy filing by Lehman Brothers in September 2008. Although conditions in the international capital and credit markets have subsequently improved, the markets have suffered from prolonged periods of volatility and disruption. Since 2010, a number of countries in the Eurozone have encountered liquidity constraints and significant increases in borrowing costs as a result of the increased market distrust in these countries' abilities to solve their relatively large debt and budget deficit levels on their own. The International Monetary Fund, the European Central Bank and the European Union have intervened and assisted with large liquidity injections, guarantees and financial support, although the longer term economic outlook remains uncertain. Due to the high public debt levels in a number of Western economies, it might take a substantial period of time before these problems are resolved and for the markets to return to their pre-global economic and financial crisis levels.

The majority of these economies, including the United States, the Eurozone and the United Kingdom, have engaged in a variety of stimulus measures such as sustained periods of historically low and even negative interest rates, quantitative easing and outright asset purchases, intended to ease monetary conditions. It remains uncertain whether (and when) any further measures will be introduced, or whether the tapering of monetary stimulus will cause borrowing costs to rise.

Market conditions may impact Kommuninvest's ability to raise debt in a similar manner, and at a similar cost, to the funding raised in the past. Kommuninvest's business and results of operations are affected by conditions in the global financial markets and by global economic conditions, particularly in Sweden. Challenging market conditions may result in greater volatility but also in reduced liquidity, widening of credit spreads and lack of price transparency in credit markets. Changes in financial markets, including changes in interest rates, exchange rates and the value of other investments, may affect the financial performance of Kommuninvest.

The outbreak of COVID-19 in late December 2019, has resulted in protracted volatility in international markets. The COVID-19 outbreak has impacted economic activity worldwide as governments implement a wide range of restrictions on travel, gatherings and other business activities in order to protect public health. Extensive stimulus packages have also further increased debt levels in many countries. Even if vaccine programmes and other measures are successful in significantly reducing the prevalence of COVID-19 cases in the short to medium term, there can be no assurance that any such measures will be effective in countering new and emerging strains of the virus. The lasting impact of COVID-19 on the economies and financial markets is uncertain and it is possible that the outbreak of COVID-19 will have a prolonged negative effect

on the global economy. Any of these factors could have a material adverse effect on Kommuninvest's financial condition and results of operation.

Credit Risk

Credit risk and counterparty risk represent the risk of incurring losses due to customers or counterparties failing to meet their obligations within the agreed time. These risks arise in various ways in the Company´s operations and are divided into three areas; Credit risk associated with lending, issuer risk in the management of the Liquidity reserve and counterparty risk when the Company uses derivatives.

Credit risks associated with lending

Lending is generally associated with credit risks related to customers failing to meet their obligations. This risk is limited by providing credit only to members and approved companies, foundations and associations in which one or more members has a controlling influence. Approved companies, foundations and associations are to be covered by a guarantee from one or more members. The municipalities and regions as well as their respective companies are analysed before a membership is granted and then continuously during the membership. To obtain an overall view of a member's financial situation, a quantitative risk value analysis is performed. The analysis includes the income statement, balance sheet, demographics and risks in the municipality operations. Kommuninvest has a low-risk portfolio, but has limited ability to diversify its lending. As of 31 December 2020, the total recognised value of the Company's credit risk exposure amounted to SEK 529,578.0 million. Of the exposure, 84.2 percent was related to lending to Swedish municipalities and regions[1], 11.8 percent was related to investments in securities issued by sovereigns and other issuers and 0.4 percent. was related to exposure to derivatives counterparties. Off-balance sheet items accounted for 3.6 percent (committed loans and committed undisbursed loans). The ten largest borrowers accounted for 18 percent of Kommuninvest's lending as of 31 December 2020.

Risks associated with management of liquidity reserve

Issuer risk refers to the risk that the issuer of a security fails to repay the entire commitment on maturity. Kommuninvest mitigates the risks by specifying a number of requirements for its investment activities, such as investments being limited to securities issued (or guaranteed) by counterparties with a high creditworthiness, i.e. a rating of at least A from S&P or the equivalent rating from an approved credit rating agency, and ensuring that its investments are eligible for repo transactions with the Swedish Central Bank, the Riksbank, liquidity against collateral. In accordance with the Company's Finance Policy, investments may not be made in securities with a remaining maturity of more than 39 months. At year-end, the average remaining maturity of liquidity reserve investments was 3.3 (3.2) months. The longest remaining maturity of an individual security was 24.8 (30.4) months. Placements are also subject to a country limit where the exposure to any individual country may not exceed SEK 15 billion, except for Sweden for which there is no country limit. In addition, the Board of Directors determines the maximum gross exposure to individual issuers.

At the end of 2020, Kommuninvest's liquidity reserve was mainly invested in securities issued by states or government-guaranteed institutions. Of those investments, the majority (76 percent) were in securities issued by Swedish issuers. Kommuninvest's investment strategies rely on assumptions as to creditworthiness and projections regarding its assets and general market factors that may prove to be incorrect or inadequate. Although Kommuninvest devotes extensive resources to monitoring its investments and developing strategies for the management of the liquidity reserve, there can be no assurance that these will be adequate or effective. For further information regarding the use and management of Kommuninvest's liquidity reserve, see "*Liquidity risk*".

[1] As of 1 January 2019, all of Sweden's county councils have taken on the responsibility for regional development work and therefore renamed themselves as "regions" of Sweden.

Risks associated with derivative contracts

Counterparty risk refers to the risk that a counterparty in a financial agreement fails to fulfil its obligations under the contract. Counterparty risk arises when Kommuninvest enters into derivative contracts with the purpose of limiting market risk. Kommuninvest has strategies in place to manage these risks and strives to diversify over-the-counter derivatives contracts between various types of counterparties in different geographical areas. The Company has a prudent set of counterparty limitations and monitors its counterparties on an ongoing basis. Kommuninvest only enters into new derivative contracts with counterparties with a rating of (or guaranteed by a guarantor with a rating of) at least BBB+ for uncleared derivatives or BBB- for cleared derivatives from S&P or the equivalent rating from an approved credit rating agency. However, Kommuninvest may have exposure to counterparties with a lower rating under previous derivative contracts. Counterparty risk is further limited by entering into ISDA Master Agreements, including credit support agreements and other collateral arrangements with counterparties. In addition, Kommuninvest has the right to early redemption of derivative contracts, should the counterparty's credit risk rating deteriorate below a predetermined level, which is BBB- as of the date of this Base Prospectus. Since October 2016 all interest-rate contracts must be cleared by a central counterparty. However, no hedging strategy may completely insulate Kommuninvest from the risks associated with derivative contracts. Although Kommuninvest only enters into derivative transactions for hedging purposes, rather than for speculative purposes, the hedging strategies of the Company and the derivatives it uses, and may use, may not adequately mitigate or offset the risk, and Kommuninvest's hedging transactions may result in losses.

Market risk

The main market risks to which Kommuninvest is exposed are interest rate risk, foreign exchange risk and credit spread risk. Kommuninvest is also exposed to other price risks and liquidation risks.

Interest rate, currency and credit spread risk

Interest rate risks arise when fixed-interest terms for capital borrowed and capital loaned do not match. Due to the extent of its operations, it is not always possible to achieve an exact match between the Company's assets (lending and investments) and liabilities (financing) for each individual position. Kommuninvest uses derivative contracts to manage these interest rate risks.

Foreign exchange risks entail a risk of economic loss as a consequence of changes in exchange rates. Foreign exchange risks arise as Kommuninvest conducts borrowing both in Swedish kronor and in foreign currencies. Kommuninvest uses derivative contracts to manage these currency risks. Currency risks also arise regularly as a consequence of the net interest which is generated from yields on investments in foreign currencies.

Credit spread risk is the risk of economic loss due to changes in credit and basis spreads. General changes in such spreads mainly affect the Company's position due to imbalances in asset and liability tenures. Kommuninvest reduces general credit spread risks by favourable matching between the maturing of its assets and liabilities and by both its assets and liabilities being of a very high credit quality with historically small fluctuations in underlying prices. A loss in value can also arise because of changes in specific credit spreads, the Company's own credit spread or in the basis spread between two specific currencies. Specific credit spread risk is reduced by Kommuninvest's low-risk portfolio and management of its liquidity reserve.

In the event that Kommuninvest fails to manage its interest rate, foreign exchange and credit spread risks, the Company's financial position may be adversely affected.

Other price risks and liquidation risk

Other price risks refer to the risk that a change in the pricing situation of underlying assets, such as shares or share indices, will reduce the net value of Kommuninvest's assets and liabilities. Kommuninvest hedges price risks with regard to underlying assets and indices, thus exposure to 'other price risks' is mitigated.

Liquidation risk refers to the risk that a counterparty fails to meet its obligations such that Kommuninvest incurs increased costs associated with the replacement transaction needed. Kommuninvest's process for managing counterparty risks (see paragraph above) also includes management of liquidation risks. Kommuninvest works proactively to mitigate losses as a consequence of liquidation risks.

Although Kommuninvest manages other price risks and liquidation risk, there can be no assurance that this management will be adequate or effective. In the event Kommuninvest fails to manage its other price risks and liquidation risk, its financial position may be adversely affected.

Liquidity risk

Liquidity risk can be described as the lack of financing options to meet short-term requirements, which in itself involves a risk concerning the organisation's ability to fulfil its obligations. Liquidity risk is also the risk of far higher costs for borrowing required funds in the long-term or of a loss when assets cannot be sold at a reasonable price. Kommuninvest limits this risk by maintaining favourable matching between the maturing of its assets and liabilities and diversified funding with access to several different capital markets. To be able to continue meeting lending needs during periods in which financing opportunities on the capital markets are limited or too costly, Kommuninvest maintains a liquidity reserve of a sufficient volume to meet the Company's liquidity need even during periods of substantial unease in the financial markets. Investments may only be made in liquid interest-bearing securities and bank balances with senior status in the event of insolvency. Investments may include an implicit or explicit zero interest rate flooring but no other structures. The liquidity reserve must be eligible for repo transactions and other liquidity management activities with central banks. Kommuninvest is an approved monetary policy counterparty to the Swedish Riksbank and has access to the Riksbank's intraday and overnight credits, which benefits Kommuninvest's management of, and access to, liquidity. If Kommuninvest's access to the capital markets or the cost of accessing such markets should increase significantly, or if Kommuninvest is unable to attract other sources of financing, Kommuninvest's financial condition and prospects could be adversely affected.

Operational and business risks and related issues

Operational risks are comprised of the risk of losses arising as a consequence of unsuitable or insufficient internal processes or routines, human error, faulty systems or external events. These may involve risks associated with errors and deficiencies in products and services, imperfect allocation of responsibilities, deficient technical systems, various types of criminal attacks and inadequate preparation for disruptions. Operational risks also include risks arising from failure to comply with internal and external regulation (compliance risk), legal risks and reputational risks. In the event that Kommuninvest fails to address its operational risks, the Company's results and financial position as well as its reputation could be adversely affected.

In order to manage operational risks, Kommuninvest has internal policies and steering documents, which are revised on a regular basis, including security instructions, continuity management plans and security procedures. The Company also applies limitations such as ensuring that no single individual may ever manage an entire transaction alone. Although Kommuninvest devotes resources to developing its operational risk management policies and procedures and expects to continue to do so in the future, there can be no assurance that these will be adequate or effective.

Business risk and strategic risk

Business risk is the risk of reduced revenues or increased costs as a consequence of factors in the external business environment (including market conditions, customer behaviours and technological developments) having a negative impact on volumes and margins. Strategic risk is the long-term risk of losses due to erroneous or misguided strategic choices and business decisions, incorrect implementation of decisions or inadequate sensitivity to changes in society, regulatory systems or the financial sector and/or local government sector. If Kommuninvest fails to address these risks, the Company's results and financial position could be adversely affected.

Regulatory development

Kommuninvest operates in a highly regulated industry. Kommuninvest's business operations and results are affected by new and existing legislation, as amended, ordinances and other laws adopted by various standard-setting bodies in Sweden and the European Union, and, to a certain extent, the standard-setting bodies and governmental authorities in foreign states. Financial services laws, regulations and policies currently governing Kommuninvest may change at any time in ways which can have an adverse effect on Kommuninvest's business, and it is difficult to predict the timing or form or any future regulatory or enforcement initiatives thereof. Amendments to rules and regulations, including amended accountancy standards and amended capital coverage requirements may adversely affect Kommuninvest's operations, its financial results and the pricing of its bonds. As a relatively small organisation, Kommuninvest is burdened financially and operationally by the pressure of increasing regulation and the heightened duty to provide reports to its regulators. In the event that Kommuninvest cannot fulfil its obligations pursuant to the applicable rules and regulations, there is a risk of incurring sanctions imposed by supervisory authorities and courts of law, which may adversely affect Kommuninvest's operations.

Risk tax

The Swedish Government has submitted a proposal for a risk tax to be paid by banks and other credit institutions. An updated version of the proposal, which is still subject to consultation, was presented on 24 May 2021. For Kommuninvest, the tax would add an extra cost of about SEK 280 million in 2022 and around SEK 330 million from 2023 onwards. This would influence business practices, but not the financial solidity. The tax would at least partly be offset by higher interest rates for municipalities and regions. Given that it is guaranteed by its members and consistently works at very low risk levels, Kommuninvest believes that it should be exempted from the tax. Whether the risk tax will be implemented or not will probably be decided by the Swedish Riksdag in the autumn.

Basel III and CRD IV

In 2010, the central bank governors and heads of financial authorities in 27 countries presented stringent new proposals for the contents of the new international regulations for the banking system, Basel III. At the core of this was the need for larger and higher-quality capital bases among banks and a global framework for the assessment of liquidity risks.

Basel III has been implemented in the European Economic Area (**EEA**) by way of a European Council Directive known as the Capital Requirements Directive (the **Capital Requirements Directive**) and the direct application of a European Parliament and Council Regulation in each Member State of the European Economic Area known as the Capital Requirements Regulation (the **CRR** and, together with the Capital Requirements Directive, **CRD IV**). CRD IV came into force on 1 January 2014, and its main impact has been to set higher capital and liquidity requirements. On 23 November 2016, the European Commission presented a comprehensive package of reforms to further strengthen the resilience of EU banks (the **EU Banking Reforms**) which proposals amend many of the existing provisions set forth in CRD IV and the BRRD (as defined below). The text relating to the EU Banking Reforms was published in the Official Journal of the European Union on 7 June 2019 and the majority of rules have applied since January 2021 or will take effect during the first half of 2021. The changes include setting higher capital and additional loss absorbing capacity requirements, increasing the powers of the relevant competent authorities and incorporating the regulatory definition of trading activity, standardised and advanced risk weighted assets calculation methodologies for market risk and new standardised risk weighted assets rules for counterparty credit risk. These changes also include phase-in arrangements for the regulatory capital impact of IFRS 9 and the ongoing interaction of IFRS 9 with the regulatory framework, including changes to relevant accounting standards, which came into force on 1 January 2018 and which resulted in changes to the methodologies which the Issuer is required to adopt for the valuation of financial instruments.

Kommuninvest has a high-quality capital base and its structure is well adapted to the new requirements. At the end of 2020, the total capital ratio totalled 302.5 percent, which is considerably higher than the minimum

requirement (including buffers) of 10.5 percent even though the new rules for the calculation of risk weighted assets have caused these minimum standards to increase, compared with previous rules.

Kommuninvest maintains a large high-quality liquidity reserve and has a considerable safety margin in relation to the short term liquidity capacity (Liquidity Coverage Ratio). The Company started reporting the ratio measure to the Swedish Financial Supervisory Authority (the **SFSA**) in 2011.

A new Tier 1 capital leverage ratio is expected to become effective within the EU from 28 June 2021. The leverage ratio is calculated as the institution's Tier 1 capital divided by total exposures in assets and liabilities. Reporting of the current leverage ratio to the relevant authorities began during 2014. The EU Banking Reforms contain a proposal for introducing a minimum of 3 percent leverage ratio for any type of credit institution. However, the European Council has also indicated that the requirement may vary depending on the business models of the credit institutions concerned, and the EU Banking Reforms include the possibility for "public development credit institutions" to be permitted to deduct their lending from the calculation of exposure requirements. Kommuninvest expects to be classified as a "public development credit institution" in accordance with the criteria set out in the EU Banking Reforms, and in its most recent review and evaluation process, the SFSA found no reason to question that assessment. Legislative and regulatory uncertainty could affect Noteholders' ability to accurately value the Notes and, therefore, affect the trading price of the Notes given the extent and impact that one or more regulatory or legislative changes could have on the Notes.

Legal actions

Kommuninvest faces legal risk where legal proceedings are brought against it. Regardless of whether such claims have merit, the outcome of legal proceedings is inherently uncertain and could result in financial loss. Defending legal proceedings can be expensive and time-consuming and there is no guarantee that all costs incurred will be recovered even if Kommuninvest is successful. Although the Company has processes and controls to manage legal risks, failure to manage these risks could impact Kommuninvest adversely, both financially and in terms of reputation.

Key personnel

Kommuninvest's performance is dependent on the expertise and continued efforts of its senior management and other key personnel, some of whom may have been employed by the Company for a substantial period of time and have developed with the business. Since the organisation was founded in 1986, the Company has experienced stable and continued growth, with the number of employees rising as a result of increased business activities. In line with Kommuninvest's established business strategy and the expected increase in number of municipalities and regions joining the Society (as defined below), the Company may need to continue to expand its operations. Kommuninvest's ability to further develop its business depends on its ability to recruit, retain and motivate personnel, particularly in light of the rapid pace of technological advances and the increasing complexity of financial markets and their regulatory landscape.

The failure to attract or retain a sufficient number of appropriate personnel could significantly impede Kommuninvest's financial plans, growth and other objectives and have an adverse effect on its business, financial position and results of operations.

Computer and communications systems

Kommuninvest's operations are dependent on its ability to process and monitor, on a daily basis, a large number of transactions, some of which are complex. Kommuninvest relies on the proper functioning of its systems which may fail as a result of hardware or software failure or power or telecommunications failure. These computer and communications systems and facilities may suffer performance degradation or failure for any number of reasons, including unauthorised access to data and other forms of cybercrime. The occurrence of such a failure may not be adequately covered by Kommuninvest's business continuity and disaster recovery planning. Any significant degradation, failure or lack of Kommuninvest's information systems or any other systems in the trading process could therefore cause slower response times, delays or failure to complete transactions on a timely basis, failed settlement and trades, incomplete or inaccurate

accounting and recording or processing of trades, which could have an adverse effect on its business, results of operations and financial condition or could give rise to adverse regulatory and reputational consequences for Kommuninvest's business.

The complex nature of the financial markets, and the speed with which they develop, require highly complex system solutions and competent personnel to operate, monitor and maintain them. Failure to update and expand its systems and networks adequately or to adapt its systems and technology to evolving customer demands or emerging industry standards would have a material impact on Kommuninvest. Despite the Company's expenditure on its IT systems, there can be no assurance that such expenditure will be sufficient or that its IT systems will function as planned.

Kommuninvest relies on third party providers for certain parts of its IT services. Any failure by such third party providers to perform their services, or a deterioration of such services, could impair the timing and quality of Kommuninvest's operations.

Competitive landscape

The relevant market for Kommuninvest's services is the Swedish local government financing market. Although Kommuninvest is the largest individual lender in this market and has strengthened its market share in recent years, Kommuninvest competes with a number of financial institutions, including Swedish and foreign banks, as well as its members' own debt capital market programmes where relevant. Competition may increase in Kommuninvest's principal market, which may have an adverse effect on its financial condition and results of operations. In the event Kommuninvest fails to offer products, services or prices that are competitive when compared to those offered by its competitors, increased competition may adversely affect Kommuninvest's results and development.

Reputation

Kommuninvest is founded on the idea of voluntary collaboration in financial matters, for the benefit of Swedish local governments, serving the Swedish public sector. As a cooperative organisation, Kommuninvest operates with the trust of its members. Since the establishment of the organisation, no member has left the Society (as defined below). Kommuninvest also has a unique borrower profile and occupies an exceptional position with regards to its national and international funding operations. Reputational risks may arise as a result of operational issues and the realisation of other risks concerning Kommuninvest and its operations (including negative publicity or rumours about the Company or the local government sector in general), which may lead to damage to Kommuninvest's brand, loss of confidence in Kommuninvest on the part of its customers, increased funding costs, and which in turn, would adversely affect its results and its continued growth.

Ratings

Ratings are important to Kommuninvest's business for a number of reasons, including its continued access to the capital markets and cost of funds. Kommuninvest has credit ratings from S&P and Moody's. Each of the rating agencies reviews its ratings and rating methodologies on a recurring basis and may decide on a downgrade at any time. In the event of a downgrade or negative outlook with respect to Kommuninvest or the Kingdom of Sweden, Kommuninvest's cost of issuing debt instruments may increase, having an adverse effect on its operations and potentially impacting Kommuninvest's competitive position with its clients in the public sector and its financial condition.

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

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(a) have 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 Base Prospectus or any applicable supplement;

(b) have 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 the Notes will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

Risks related to the structure of a particular issue of Notes

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

Notes subject to optional redemption by the Issuer

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

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

Index Linked Notes and Dual Currency Notes

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

(a) the market price of such Notes may be volatile;

(b) they may receive no interest;

(c) payment of principal or interest may occur at a different time or in a different currency than expected;

(d) they may lose all or a substantial portion of their principal;

(e) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(f) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable will be likely to be magnified; and

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

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

Fund Linked Notes

The Issuer may issue Notes where the amount of principal and/or interest payable are dependent upon the price or changes in the price of units or shares in a fund or funds (whether the net asset value or such other value as may be specified in the applicable Final Terms) or where, depending on the price or changes in the price of units or shares in such fund or funds, on redemption the Issuer's obligation is to deliver specified assets (together **Fund Linked Notes**).

Potential investors in any such Notes should be aware that depending on the terms of the Fund Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest or delivery of any specified assets may occur at a different time than expected and (iii) they may lose all or a substantial portion of their principal investment. In addition, the movements in the price of units or shares in the fund or funds may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the units or shares in the fund or funds may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price or prices of the units or shares in the fund or funds, the greater the effect on yield.

If the amount of principal and/or interest payable are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the units or shares of the fund or funds on principal or interest payable will be magnified.

The performance of a fund will be heavily dependent on the performance of investments selected by its advisers or investment managers and the skill and expertise of such fund service providers in making successful and profitable investment decisions. Such skill and expertise may be concentrated in a number of the adviser's or investment manager's key personnel. Should these key personnel leave or become no longer associated with the fund's adviser or investment manager, the value or profitability of the fund's investments may be adversely affected as a result.

The market price of such Notes may be volatile and may depend on the time remaining to the redemption date and the volatility of the price of units or shares in the fund or funds. The price of units or shares in a

fund may be affected by the economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which any units in the fund or funds may be traded.

Substantial redemptions by holders of interests in a fund within a short period of time could also require the fund's investment manager(s) and/or adviser(s) to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the fund's assets.

Partly-paid Notes

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

Variable rate Notes with a multiplier or other leverage factor

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

Inverse Floating Rate Notes

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

Fixed/Floating Rate Notes

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

Notes issued at a substantial discount or premium

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

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks" are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a "benchmark".

Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**) applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuer) of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the the European Union (Withdrawal) Act 2018 (**EUWA**) (the **UK Benchmarks Regulation**) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

In particular, the sustainability of LIBOR has been questioned as a result of the absence of active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The UK Financial Conduct Authority has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. On 5 March 2021, ICE Benchmark Administration Limited (**IBA**), the administrator of LIBOR, published a statement confirming its intention to cease publication of all LIBOR settings, together with the dates on which this will occur, subject to the FCA exercising its powers to require IBA to continue publishing such LIBOR settings using a changed methodology (the **IBA announcement**). Concurrently, the FCA published a statement on the future cessation and loss of representativeness of all LIBOR currencies and tenors, following the dates on which IBA has indicated it will cease publication (the **FCA announcement**). Permanent cessation will occur immediately after 31 December 2021 for all Euro and Swiss Franc LIBOR tenors and certain Sterling, Japanese Yen and US Dollar LIBOR settings and immediately after 30th June 2023 for certain other USD LIBOR settings. In relation to the remaining LIBOR settings (1-month, 3-month and 6-month Sterling, US Dollar and Japanese Yen LIBOR settings), the FCA will consult on, or continue to consider the case for, using its powers to require IBA to continue their publication under a changed methodology for a further period after end-2021 (end-June 2023 in the case of US Dollar LIBOR). The FCA announcement states that consequently, these LIBOR settings will no longer be representative of the underlying market that such settings are intended to measure immediately after 31 December 2021, in the case of the Sterling and Japanese Yen LIBOR settings and immediately after 30 June 2023, in the case of the USD LIBOR settings. Any continued publication of the Japanese Yen LIBOR settings will also cease permanently at the end of 2022.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 25 November 2020, the euro risk-free rate working group published consultations on EURIBOR fallback trigger events and fallback rates. On 11 May 2021 the euro risk free rate working group published its recommended fallback trigger events and fallback rates.

On 2 April 2019 the Swedish Bankers' Association published a consultation to address the possibility of developing a complement for, and/or an alternative to, the Stockholm inter-bank offered rate (**STIBOR**), with suggestions as to how an alternative reference rate could be defined and the Riksbank has consulted on the publication of an overnight rate from 2020.

It is not possible to predict with certainty whether, and to what extent, EURIBOR and STIBOR will continue to be supported going forwards. This may cause EURIBOR and STIBOR to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

The Terms and Conditions of Notes provide for certain fallback arrangements in the event that a Benchmark Event occurs, including if an Original Reference Rate and/or any page on which an Original Reference Rate may be published, becomes unavailable, or if the Issuer, the Calculation Agent, any Paying Agent or any other party responsible for the calculation of the Rate of Interest (as specified in the applicable Final Terms) are no longer permitted lawfully to calculate interest on any Notes by reference to such an Original Reference Rate under the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or otherwise. Such fallback arrangements include the possibility that the Rate of Interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Conditions), with the application of an adjustment spread and may include amendments to the Conditions of the Notes to ensure the proper operation of the successor or replacement benchmark, all as determined by the Issuer (acting in good faith and in consultation with an Independent Adviser). An adjustment spread could be positive, negative or zero and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of an Original Reference Rate. However, such adjustment spread may not be effective to reduce or eliminate economic prejudice to investors. The use of a Successor Rate or Alternative Rate (including with the application of an adjustment spread) will still result in any Notes linked to or referencing an Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form.

Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the involvement of an Independent Adviser and the potential for further regulatory developments there is a risk that the relevant fallback provisions may not operate as intended at the relevant time. If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Rate is determined, the ultimate fallback for the purposes of calculation of the Rate of Interest for a particular Interest Period in the case of Notes for which Screen Rate Determination applies will result in the Rate of Interest for the last preceding Interest Period being used. This will result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In the case of Notes for which ISDA Determination applies, the ultimate fallback for a particular Interest Period will be reliant upon the provision by reference banks of offered quotations for relevant benchmark(s) which, depending on market circumstances, may not be available at the relevant time.

In respect of any Notes issued as Green Bonds, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor

The Final Terms relating to any specific Tranche of Notes may provide that it will be Kommuninvest's intention to apply an amount equivalent to the proceeds from an offer of those Notes specifically to finance, in whole or in part, projects and activities that promote climate-friendly and other environmental purposes (**Eligible Projects**). Prospective investors should determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. In particular no assurance is given by Kommuninvest that the use of such proceeds for any Eligible Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Projects.

Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label, nor can any assurance be given that such a clear definition or consensus will develop over time. On 18 December 2019, the Council and the European Parliament reached a political agreement on a regulation to establish a framework to facilitate sustainable development (the **Taxonomy Regulation**). Within the framework of the Taxonomy Regulation, the Technical Expert Group on Sustainable Finance has been asked to develop recommendations for technical screening criteria for economic activities that can make a substantial contribution to climate change mitigation or adaptation. On 15 April 2020, the Council adopted by written procedure its position at first reading with respect to the Taxonomy Regulation. The European Parliament will have to vote on the text pursuant to the "early second reading agreement" procedure. However, as yet no formal legislation has been adopted and no definition as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project has been established. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Eligible Projects will meet any or all investor expectations regarding such "green", "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Projects.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by Kommuninvest) which may be made available in connection with the issue of any Notes and in particular with any Eligible Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by Kommuninvest or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. In the event that any such Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled stock exchange or securities market (whether or not regulated), no representation or assurance is given by Kommuninvest or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental,

sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by Kommuninvest or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of Kommuninvest to apply an amount equivalent to the proceeds of any Notes so specified for Eligible Projects in, or substantially in, the manner described in this Base Prospectus, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Eligible Projects will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Eligible Projects. Nor can there be any assurance that such Eligible Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by Kommuninvest. Any such event or failure by Kommuninvest will not constitute an Event of Default under the Notes.

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

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification

The conditions of the Notes contain provisions for calling meetings (including by way of conference call or by use of a videoconference platform) of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

Bearer Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes in bearer form which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. Should definitive Notes be printed, a holder who holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks relating to the enforceability of United Kingdom judgements in Sweden

The United Kingdom left the European Union on 31 January 2020 and the transitional period agreed in the withdrawal agreement expired on 31 December 2020 during which EU law continued to apply to the United Kingdom. As a result, the Recast Brussels Regulation (Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of 12 December 2012) has ceased to apply to the United Kingdom (and English court judgments). The United Kingdom is also not currently a party to the Lugano Convention under which judgments from the courts of contracting states (currently the European Union, plus Switzerland, Iceland and Norway) are recognised and enforced in other contracting states.

On 8 April 2020, the United Kingdom deposited an application to accede to the Lugano Convention. The United Kingdom's application will have to be approved by Norway, Switzerland, Iceland, Denmark and the European Union. While Norway, Switzerland and Iceland have issued statements of support, as of 11 June 2021 the European Union has not yet confirmed whether it is in favour of the United Kingdom acceding to the Lugano Convention.

On 28 September 2020, the United Kingdom acceded to the Hague Convention on Choice of Court Agreements to mitigate such risks to the future enforceability of United Kingdom judgments in the European Economic Area. The Hague Convention entered into force in the United Kingdom on 1 January 2021. The Hague Convention provides for exclusive jurisdiction clauses to be upheld in favour of the states which are party to the Convention (all European Union Member States, Mexico, Montenegro and Singapore, together the **Contracting States**), and for judgments given by the chosen courts to be enforceable in all other Contracting States. Compared with the Recast Brussels I Regulation, there are more grounds on which recognition and enforcement can be refused pursuant to the Hague Convention, as well as additional procedural requirements.

Where the Hague Convention does not apply (for example, in the case of asymmetric jurisdiction clauses such as the Governing Law and Jurisdiction Condition in the Terms and Conditions of the Notes), recognition of English jurisdiction clauses and enforcement of English judgments will largely be determined by the relevant European Union Member States in accordance with their domestic law, and, as a result, it is possible that a judgment entered against the Issuer in a United Kingdom court would not be recognised or enforceable in Sweden as a matter of law without a re-trial on its merits although some European Union Member States have suggested that bilateral conventions or the Brussels I Regulation (recast) could apply. As a result, there remains a risk that a judgment entered against the Issuer in a United Kingdom court may not be recognised or enforceable in Sweden as a matter of law without a re-trial on its merits (but may be presented as evidence before the courts of law or tribunals in Sweden.

Reliance on DTC, Euroclear and Clearstream, Luxembourg procedures

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

While the Notes are represented by Global Notes, the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a

Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

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

In certain circumstances the Notes may be subject to U.S. withholding tax

The United States has enacted rules, commonly referred to as "FATCA", that generally impose a new reporting and withholding regime with respect to certain U.S. source payments (including dividends and interest) and certain payments made by entities that are classified as financial institutions under FATCA. The United States has entered into an intergovernmental agreement regarding the implementation of FATCA with Sweden (the **Sweden IGA**). Under the Sweden IGA, as currently drafted, the Issuer does not expect payments made on or with respect to the Notes to be subject to withholding under FATCA. However, significant aspects of when and how FATCA will apply remain unclear, and no assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Notes in the future. Prospective investors should consult their own tax advisors regarding the potential impact of FATCA.

U.S. Treasury Regulations under Section 871(m) of the U.S. Internal Revenue Code of 1986 require withholding of up to 30% (depending on whether an income tax treaty or other exemption applies) on payments or deemed payments made to non-U.S. persons on certain financial instruments to the extent that such payments are contingent upon or determined by reference to U.S.-source dividends. These rules differentiate between "Delta-One" and "Non-Delta-One" transactions. This withholding should not apply to Non-Delta-One Notes issued before 1 January 2023 (**Grandfathered Notes**) (unless the Notes are "significantly modified" after 1 January 2023). Significant aspects of the application of these regulations to the Notes are uncertain. Payments on Notes, other than Grandfathered Notes, that are treated by the applicable Treasury regulations as being contingent upon, or determined by reference to, any U.S. source dividends may be subject to this withholding.

Withholding in respect of dividend equivalent amounts will generally be required when the relevant payment is made on a Note or upon the date of maturity, lapse or other disposition by a non-U.S. investor of the Notes. Notes may be treated as paying dividend equivalent amounts to the extent U.S. source dividends are expected to be paid on the underlying equity securities, even if no corresponding payment on the Note is explicitly linked to such dividends and even if, upon maturity, lapse or other disposition by the non-U.S. investor, the investor realizes a loss. The regulations provide exceptions to withholding, in particular for certain instruments linked to certain broad-based indices. In the event any withholding would be required pursuant to Section 871(m) with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding. Prospective investors should consult their tax advisers regarding the potential application of Section 871(m) and the applicable regulations to the Notes.

Potential conflicts of interest – Calculation Agent

Potential conflicts of interest may exist between the Calculation Agent (if any) and Noteholders.

The Calculation Agent and/or any of its affiliates may from time to time engage in transactions involving a Relevant Factor or a fund or funds (together with any Relevant Factor, an **Underlying**) for their proprietary accounts or for other accounts under their management, subject to requirements of all applicable laws and regulations. Any of the Calculation Agent and/or its affiliates may also issue other derivative instruments in respect of any Underlying(s). Any of the Calculation Agent and/or its affiliates may be the sponsor of and may publish values or prices in respect of an Underlying. Any of the Calculation Agent, and/or its affiliates may also act as underwriter in connection with future offerings of shares or other securities related to an

issue of Notes or may act as financial adviser to certain companies or companies whose securities are Underlying(s) in respect of one or more issues of Notes or in a commercial banking capacity for such companies. These activities may have a positive or negative effect on the value of the relevant Underlying(s) and consequently upon the value of the Notes, and the Calculation Agent is not under any obligation to the Issuer or the Noteholders to consider the impact of any such activities on the price or value of the Notes.

The Bank Recovery and Resolution Directive

The Bank Recovery and Resolution Directive (**BRRD**) provides an EU-wide (which for these purposes includes the United Kingdom) framework for the recovery and resolution of credit institutions and investment firms, their subsidiaries and certain holding companies. The BRRD requires all EEA member states (including for these purposes the United Kingdom) to provide their relevant resolution authorities (a **Relevant Resolution Authority**) with a set of tools to intervene sufficiently early and quickly in a failing entity so as to ensure the continuity of the relevant entity's critical financial and economic functions, while minimising the impact of a relevant entity's failure on the broader economy and financial system. Under the Swedish implementation of the BRRD, the Swedish National Debt Office (*Sw. Riksgäldskontoret*) has been appointed as Sweden's Relevant Resolution Authority.

In Sweden, the requirements of the BRRD are implemented into national law by the Resolution Act (Sw. lag (2015:1016) om resolution) (the **Resolution Act**). Under the Resolution Act, substantial powers are granted to the Relevant Resolution Authority (in certain circumstances, in consultation with the SFSA). These powers enable the Relevant Resolution Authority to implement resolution measures with respect to a relevant Swedish entity in circumstances in which the Relevant Resolution Authority considers the failure of the relevant entity has become highly likely and a threat is posed to the public interest. The stabilisation options available to the Relevant Resolution Authority (all of the below except for (v), which is available to the Swedish Government) provide for:

(i) sale of the relevant entity or parts of its business to one or more purchasers without the consent of shareholders;

(ii) transfer of all or part of the business of the relevant entity to a "bridge institution";

(iii) transfer of the relevant entity's assets, rights or liabilities to an asset management vehicle;

(iv) the write-down and conversion of the relevant entity's liabilities (the **Bail-in Tool**); and

(v) temporary public ownership (nationalisation) of the relevant entity.

The resolution powers are designed to be triggered prior to insolvency of the relevant entity. However, Noteholders may not be able to anticipate the exercise of any resolution power (including the Bail-in Tool) by the Relevant Resolution Authority or the Swedish Government.

The Relevant Resolution Authority may exercise the Bail-in Tool to enable it to recapitalise a relevant entity in resolution by allocating losses to its shareholders and unsecured creditors (which include Noteholders) in a manner that (i) ought to respect the hierarchy of claims in an ordinary insolvency and (ii) is consistent with shareholders and creditors not receiving a less favourable treatment than they would have received in ordinary insolvency proceedings of the relevant entity (referred to as the "no creditor worse off" safeguard). Insured deposits and liabilities to the extent they are secured are among the liabilities excluded from the scope of the Bail-in Tool, and holders of the Notes will therefore bear the risk of losses arising from the application of the Bail-in Tool that do not affect the holders of such excluded liabilities.

The Bail-in Tool includes the power to cancel a liability or modify the terms of contracts for the purposes of reducing or deferring the liabilities of the relevant entity under resolution and the power to convert a liability from one form or class to another. The exercise of such powers may result in the cancellation or suspension

of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, the Notes and/or the conversion of all or a portion of the principal amount of, interest on, or any other amounts payable on, the Notes into shares or other securities or other obligations or instruments of ownership of the Issuer or another person, including by means of a variation to the principal amount, interest rate or other terms of the Notes, in each case, to give effect to the exercise by the Relevant Resolution Authority of such power.

The exercise of any resolution power, including the sale or transfer of all or part of the Issuer's business or any exercise of the Bail-in Tool in respect of the Issuer and the Notes, or any suggestion of any such exercise, could materially adversely affect the rights of the Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its repayment and other obligations under the Notes and could lead to Noteholders losing some or all of the value of their investment in such Notes.

Noteholders may have only very limited rights to challenge and/or seek a suspension of any decision of the Relevant Resolution Authority to exercise its resolution powers (including the Bail-in Tool) or to have that decision reviewed by a judicial or administrative process or otherwise. In addition, even in circumstances where a claim for compensation is established under the "no creditor worse off" safeguard, this will be determined on the basis of an independent valuation performed after the resolution action has been taken. It is unlikely that such compensation would be equivalent to the full losses incurred by the Noteholders in the resolution and there is a risk that such Noteholders may experience considerable delays in recovering any such compensation.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid and such liquidity 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 for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) 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.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the Regulation (EC) No. 1060/2009 (as amended) as it forms part of domestic law by virtue of the EUWA (the **UK CRA Regulation**). As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer Notes will only be issued outside the United States to persons that are not U.S. persons (as defined in Regulation S) in reliance on the exemption from registration provided by Regulation S and Registered Notes will be issued both outside the United States to persons that are not U.S. persons in reliance Regulation S and within the United States only to QIBs in reliance on Rule 144A or otherwise in private transactions that are exempt from the registration requirements of the Securities Act.

Bearer Notes

Each Tranche of Bearer Notes will be in bearer form and will be initially issued in the form of a temporary global note (a **Temporary Bearer Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Bearer Global Note** and, together with a Temporary Bearer Global Note, each a **Bearer Global Note**) which, in either case, will:

(a) if the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear and Clearstream, Luxembourg; and

(b) if the Global Notes are not intended to be issued in NGN form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for Euroclear and Clearstream, Luxembourg.

Where the Bearer Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Bearer Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Bearer Global Notes are to be so held does not necessarily mean that the Bearer Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note if the Temporary Bearer Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Bearer Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the **Exchange Date**) which is 40 days after the date on which any Temporary Bearer Global Note is issued interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Bearer Global Note of the same Series without receipts, interest coupons or talons or (b) for definitive Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given; provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes and provided that Notes having denominations consisting of a minimum

Specified Denomination plus one or more higher integral multiples of another smaller amount will only be exchangeable for definitive Notes upon an Exchange Event (as defined below). The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note if the Permanent Bearer Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 15 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes that are not in registered form for U.S. tax purposes (other than Temporary Bearer Global Notes), and on all receipts and interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

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

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

Notes which are represented by a Bearer Temporary Global Note or a Permanent Bearer Global Note (together the **Bearer Global Notes** and each a **Bearer Global Note**) will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (a **Regulation S Global Note**). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche offered and sold in the United States or to U.S. persons may only be offered and sold in private transactions to persons who are both QIBs and QPs. The Registered Notes of

each Tranche sold to QIBs that are also QPs will be represented by a global note in registered form (a **Rule 144A Global Note** and, together with a Regulation S Global Note, each a **Registered Global Note**).

Registered Global Notes will either (i) be deposited with a custodian for, and registered in the name of a nominee of, Depository Trust Company (**DTC**) or (ii) be deposited with a common depositary or, if the Registered Global Notes are to be held under the new safe-keeping structure (the **NSS**), a common safekeeper, as the case may be for Euroclear and Clearstream, Luxembourg, and registered in the name of the nominee for the Common Depositary of, Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

The Registered Global Notes will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 7.4) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Where the Registered Global Notes issued in respect of any Tranche are intended to be held under the NSS, the applicable Final Terms will indicate whether or not such Registered Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Registered Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any time during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The common safekeeper for a Registered Global Note held under the NSS will either by Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7.4) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act and no alternative clearing system is available, (iii) in the case of Notes registered in the name of a nominee for a common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available or (iv) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 15 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the

event of the occurrence of an Exchange Event as described in subparagraph (iv) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. **Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see "*Subscription and Sale and Transfer and Selling Restrictions*".**

Swedish Registered Notes

Each Tranche of Swedish Registered Notes will be issued in uncertificated and dematerialised book entry form. The holder of a Swedish Registered Note will be the person evidenced as such by the register for such Notes maintained by Euroclear Sweden on behalf of the Issuer. Where a nominee is so evidenced it shall be treated as the holder of the relevant Swedish Registered Note.

Swedish Registered Notes will only be transferable in accordance with the rules and procedures for the time being of Euroclear Sweden.

Swedish Registered Notes will be compliant with U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury Regulation Section), unless such Notes are in registered form for U.S. tax purposes.

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and a CINS number which are different from the common code and ISIN, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the Distribution Compliance Period applicable to the Notes of such Tranche.

Any reference herein to Euroclear, Clearstream, Luxembourg, DTC and/or Euroclear Sweden shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

A Note may be accelerated automatically by the holder thereof in certain circumstances described in Condition 11. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg and/or DTC on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 23 March 2017 (or any subsequent amended and restated version (if applicable)), executed by the Issuer. In addition, holders of interests in such Global Note credited to their accounts with DTC may require DTC to

deliver definitive Notes in registered form in exchange for their interest in such Global Note in accordance with DTC's standard operating procedures.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a new Base Prospectus or a supplement to the Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[The Issuer does not fall under the scope of application of the MiFID II or UK MiFIR package. Consequently, the Issuer does not qualify as an "investment firm", "manufacturer" or "distributor" for the purposes of MiFID II or UK MiFIR.]

[**MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer['s/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 Directive 2014/65/EU (as amended **MIFID II**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*.] Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer['s/s'] product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**MiFID II product governance / Retail investors, professional investors and ECPs** – Solely for the purposes of [the/each] manufacturer['s/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, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended **MiFID II**); **EITHER** [and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services] **OR** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable] .]]

[**UK MiFIR product governance / Retail investors, professional investors and ECPs target market** – Solely for the purposes of [the/each] manufacturer['s/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 retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law

by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**), and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (**UK MiFIR**); ***EITHER*** [and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services] ***OR*** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable].

[For the purposes of this provision, the expression manufacturer means any Manager that is a manufacturer under MiFID II or UK MiFIR.]

[**Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified from time to time (the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**) 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']/['capital markets products other than prescribed capital markets products'] (as defined in the CMP Regulations 2018)[and [Excluded Investment Products]/[Specified 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).]

[date]

Kommuninvest i Sverige Aktiebolag (publ)

Legal entity identifier (LEI): EV2XZWMLLXF2QRX0CD47

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
Guaranteed by certain regions of Sweden and certain municipalities of Sweden under the Euro Note Programme

PART 1

CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [*date*] [and the supplement[s] to it dated [*date*]] (the **Base Prospectus**) which constitute[s] a base prospectus for the purposes of the Luxembourg act relating to prospectuses for securities (*loi relative aux prospectus pours valeurs mobilières*). This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Prospectus. 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 Base Prospectus.

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the base prospectus dated [*original date*] [and the supplement[s] to it dated [*date*]]. This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Prospectus dated [*date*] [and the supplement[s] to it dated [*date*]] (the **Base Prospectus**) which constitutes a base prospectus for the purposes of the Luxembourg act relating to prospectuses for securities (*loi relative aux prospectus pours valeurs mobilières*), save in respect of the Conditions which are extracted from the base prospectus dated [*original date*] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Base Prospectus[,/ and] the base prospectus dated [*original date*] [and the supplement[s] to it dated [*date*]].]

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.*]

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.*]

1.	(a)	Series Number:	[ ]
	(b)	Tranche Number:	[ ] (*If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible*)
2.	Specified Currency or Currencies:		[ ]
3.	Aggregate Nominal Amount:		
	•	Tranche:	[ ]
	•	Series:	[ ]
4.	Issue Price of Tranche:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from (and including) [*insert date*] to (but excluding) the Issue Date (*if applicable*)]
5.	(a)	Specified Denomination(s): *(in the case of Registered Notes, this means the minimum integral amount in which transfers can be made)*	[ ] (*Note – where multiple denominations above* [*€100,000*] *or equivalent are being used the following sample wording should be followed:* "[*€100,000*] *and integral multiples of* [*€1,000*] *in excess thereof up to and including* [*€199,000*]. *No Notes in definitive form will be issued with a denomination above* [*€199,000*]")
	(b)	Calculation Amount:	[ ] (*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor.*

			Note: There must be a common factor in the case of two or more Specified Denominations).
6.	[(a)]	Issue Date [and Interest Commencement Date]:	[ ]
	[(b)]	Interest Commencement Date (if different from the Issue Date):	[ ]
7.	Maturity Date:		[*Fixed rate – specify date/Floating rate –* Interest Payment Date falling in or nearest to [*specify month and year*]]
8.	Interest Basis:		[[ ]% Fixed Rate] [[ ]-month [LIBOR/EURIBOR/STIBOR] +/- [ ]% Floating Rate] [Zero Coupon] [Fund Linked Interest] [Index Linked Interest] [Dual Currency Interest] [*specify other*] (further particulars specified below)
9.	Redemption/Payment Basis:		[Redemption at par] [Fund Linked Redemption] [Index Linked Redemption] [Dual Currency Redemption] [Partly Paid] [Instalment] [*specify other*]
10.	Change of Interest Basis or Redemption/Payment Basis:		[*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*]
11.	Put/Call Options:		[Investor Put] [Issuer Call] [(further particulars specified below)]
12.	Method of distribution:		[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	**Fixed Rate Note Provisions**		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Rate[(s)] of Interest:	[ ]per cent. per annum [payable [annually/semi-annually/quarterly] in arrear] (*if payable other than annually, consider amending Condition 6*)
	(b)	Interest Payment Date(s):	[[ ] in each year from (and including) [ ] up to

		(and including) the Maturity Date]/[*specify other*] (*NB: This will need to be amended in the case of long or short coupons*)
(c)	Fixed Coupon Amount(s):	[ ] per Calculation Amount
(d)	Broken Amount(s):	[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]
(e)	Day Count Fraction:	[30/360 or Actual/Actual (ICMA) or *specify other*]
(f)	Determination Date(s):	[ ] in each year [*Insert regular interest payment dates, ignoring issue date or maturity date in the case of long or short first or last coupon*] (*NB: This will need to be amended in the case of regular interest payment dates which are not of equal duration*) [*NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA)*]
(g)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/*Give details*]
14.	**Floating Rate Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ]
(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[*specify other*]]
(c)	Additional Business Centre(s):	[ ]
(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/*specify other*]
(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	[ ] (the **Calculation Agent**)
(f)	Screen Rate Determination:	
	• Reference Rate:	[ ] (*Either LIBOR, EURIBOR, STIBOR or other, although additional information is required if other –*

		including fallback provisions in the Agency Agreement)
	• Interest Determination Date(s):	[ ] (*Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR, second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR and second Stockholm business day prior to the start of each Interest Period if STIBOR*)
	• Relevant Screen Page:	[ ] (*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
(g)	ISDA Determination:	
	• Floating Rate Option:	[ ]
	• Designated Maturity:	[ ]
	• Reset Date:	[ ]
(h)	Margin(s):	[+/-] [ ]% per annum
(i)	Minimum Rate of Interest:	[ ]% per annum
(j)	Maximum Rate of Interest:	[ ]% per annum
(k)	Day Count Fraction:	[Actual/Actual (ISDA) Actual 365 (Fixed) Actual/365 (Sterling) Actual 360 30/360 30E/360 30E/360 (ISDA) Other] (*See Condition 6 for alternatives*)
(l)	Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[ ]
15.	**Zero Coupon Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)

	(a)	Accrual Yield:	[ ]% per annum
	(b)	Reference Price:	[ ]
	(c)	Any other formula/basis of determining amount payable:	[ ]
	(d)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Conditions 8.5(b) and 8.10 apply/*specify other*]
16.	**Fund Linked Interest Note Provisions**		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Relevant provisions for determining amount of interest payable and/or assets deliverable:	[give or annex details]
	(b)	Calculation Agent[2]:	[ ]
17.	**Index Linked Interest Note Provisions**		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Index/Formula:	[give or annex details]
	(b)	Calculation Agent[3]:	[ ]
	(c)	Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent):	[*give name(s)*]
	(d)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[ ]
	(e)	Specified Period(s)/Specified Interest Payment Dates:	[ ]
	(f)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
	(g)	Additional Business Centre(s):	[ ]
	(h)	Minimum Rate of Interest:	[ ]% per annum

[2] Calculation Agent to be specifically appointed on a case-by-case basis in relation to Fund Linked Notes or Interest Linked Notes.
[3] Calculation Agent to be specifically appointed on a case-by-case basis in relation to Fund Linked Notes or Index Linked Notes.

	(i) Maximum Rate of Interest:	[ ]% per annum
	(j) Day Count Fraction:	[ ]
18.	**Dual Currency Interest Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Rate of Exchange/method of calculating Rate of Exchange:	[*give details*]
	(b) Party, if any, responsible for calculating the interest and/or principal due (if not the Agent):	[ ]
	(c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[ ]
	(d) Person at whose option Specified Currency(ies) is/are payable:	[ ]

PROVISIONS RELATING TO REDEMPTION

19.	Issuer Call:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Optional Redemption Date(s):	[ ]
	(b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount/*specify other*/see Appendix]
	(c) If redeemable in part:	
	(i) Minimum Redemption Amount:	[ ]
	(ii) Higher Redemption Amount:	[ ]
	(d) Notice period (if other than as set out in the Conditions):	[ ]
20.	Investor Put:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Optional Redemption Date(s):	[ ]
	(b) Optional Redemption Amount(s) and method, if any, of calculation	[[ ] per Calculation Amount/*specify other*/ see Appendix]

	of such amount(s):	
	(c) Notice period (if other than as set out in the Conditions):	[ ]
21.	Final Redemption Amount:	[[ ] per Calculation Amount/*specify other/* see Appendix]
22.	Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 8.5):	[As per Condition 8.5/[ ] per Calculation Amount/ *specify other/*see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	(a) Form of Notes:	**BEARER NOTES** [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Bearer Notes upon an Exchange Event]]. [Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date]. [Permanent Bearer Global Note exchangeable for Definitive Notes upon an Exchange Event].] **REGISTERED NOTES** [Regulation S Global Note (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]] [Rule 144A Global Note (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg.]] **SWEDISH REGISTERED NOTES** [Uncertificated and dematerialised book entry form for Swedish Registered Notes].
	(b) New Global Note:	[Yes][No]
24.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	[Not Applicable/*give details*] (*This item is not applicable to Swedish Registered Notes. Note that this item relates to the place of*

		payment and not Interest Period end dates to which items 14(c) and 17(g) relate)
25.	Talons for future Coupon or Receipts to be attached to Definitive Notes in bearer form (and dates on which such Talons mature):	[Yes/No. *If yes, give details*]
26.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and, if different from those specified in the Temporary Global Note, consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details. NB: a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]
27.	Details relating to Instalment Notes:	[Not Applicable/*give details*]
	(a) Instalment Amount(s):	[Not Applicable/*give details*]
	(b) Instalment Date(s):	[Not Applicable/*give details*]
28.	Redenomination:	Redenomination [not] applicable (*if Redenomination is applicable, specify the terms of the redenomination in an Annex to the Final Terms*)
29.	Other final terms:	[Not Applicable/*give details*]
30.	The names of the Guarantors as at the issue date of the relevant Tranche and details of the date, form and other relevant details of the Guarantee given by such Guarantors:	See attached Guarantee dated 7 May 1993, as amended

DISTRIBUTION

31.	(a) If syndicated, names of Managers:	[Not Applicable/*give names*]
	(b) Stabilising Manager(s) (if any):	[Not Applicable/*give name(s)*]
	(c) Names of Financial Intermediaries (if any):	[Not Applicable]/*give name(s)*]
32.	If non-syndicated, name of relevant Dealer:	[ ]
33.	Total commission and concession:	[ ]% of the Aggregate Nominal Amount
34.	U.S. Selling Restrictions:	[Reg S Compliance Category 2; Rule 144A and 3(c)(7) QPs; TEFRA D/TEFRA C/TEFRA not applicable]
35.	Additional selling restrictions:	[Not Applicable/*give details*]
36.	Additional U.S. Federal income tax considerations:	[Not Applicable/*give details*] [The Notes are [not] subject to U.S. federal withholding tax under Section

		871(m).][4] [Additional information regarding the application of Section 871(m) to the Securities will be available at [●].][As at the date of these Final Terms, the Issuer has not determined whether the Notes are subject to U.S. federal withholding tax under Section 871(m) of the U.S. Internal Revenue Code of 1986; however, indicatively it considers that they will [not] be subject to U.S. federal withholding tax under 871(m) for these purposes. This is indicative information only, subject to change, and if the Issuer's final determination is different then it will give notice of such determination. [Please contact [*give name(s) and address(es) of Issuer contact*] for further information regarding the application of Section 871(m) to the Notes.]][5]
37.	Additional ERISA considerations:	[Not Applicable/*give details*]
38.	[Secondary (*uridashi*) offerings of Notes to be made in Japan and (i) the relevant Securities Registration Statements or (ii) Amendments or Supplemental Documents to Shelf Registration Statements under Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) in respect of the Notes were filed prior to 11 June 2021:]	[[Yes/No] [The amendments to the Programme Agreement and/or other programme documents including, but not limited to, the Agency Agreement effective as of 11 June 2021 [are/are not] applicable to the Notes] [*Include this text if "Yes" selected*]]
39.	Prohibition of Sales to Belgian Consumers:	[Applicable/Not Applicable]

[LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required for admission to the Official List of the Luxembourg Stock Exchange and admission to trading on the regulated market of the Luxembourg Stock Exchange of the issue of Notes described herein pursuant to the Euro Note Programme of Kommuninvest i Sverige Aktiebolag (publ).]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[ ] has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Kommuninvest i Sverige Aktiebolag (publ):

By:

[4] The Notes should not be subject to U.S. federal withholding tax under Section 871(m), if they (i) do not reference any U.S. equity or any index that contains any U.S. equity (ii) reference only indices considered to be "qualified indices" for purposes of Section 871(m) or (iii) are Non-Delta-One Notes and are issued prior to 1 January 2023. Delta-One Notes issued at any time and Non-Delta-One Notes issued on or after 1 January 2023 that reference a U.S. equity or index that contains any U.S. equity are subject to additional testing on a trade-by-trade basis to determine whether they are Section 871(m) Notes.

[5] This formulation to be used if the Issuer has not made a determination regarding whether the Notes subject to U.S. federal withholding tax under Section 871(m) as of the date of the Final Terms.

Duly authorised

PART 2

OTHER INFORMATION

40. LISTING AND ADMISSION TO TRADING

Listing and admission to trading:	[Application has been made for the Notes to be admitted to [the Official List of the Luxembourg Stock Exchange/*specify other*] and to trading on [the regulated market of the Luxembourg Stock Exchange/*specify other*] with effect from [ ].] [Not Applicable.]

41. RATINGS

Ratings:	The Notes to be issued have been rated: [Moody's: [ ]] [S&P: [ ]] [[*Other*]: [ ]] [Not Applicable.]

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

(a)	[Reasons for the offer:	[ ] (*See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks, will need to include those reasons here.*)]
[(b)]	Estimated net proceeds:	[ ] (*If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.*)
[(c)]	Estimated total expenses:	[ ]. [*Include breakdown of expenses*].

43. [YIELD (*Fixed Rate Notes only*)

Indication of yield:	[ ] [Calculated as [*include details of method of calculating in summary form*] on the Issue Date.] The yield is calculated at the Issue Date on the basis

of the Issue Price. It is not an indication of future yield.]

44. [**PERFORMANCE OF RATES** (*Floating Rate Notes only*)

Details of performance of [LIBOR/EURIBOR/STIBOR/other] rates can be obtained [but not] free of charge, from [Reuters/Bloomberg/*give details*].]

45. PERFORMANCE OF INDEX/FORMULA AND OTHER INFORMATION CONCERNING THE UNDERLYING (*Index-Linked Interest Notes only*)

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

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

46. **PERFORMANCE OF [THE FUND], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE FUND]]** *(Fund Linked Notes only)*

[Need to include details of where past and future performance and volatility of the [fund] can be obtained and the relevant weighting of each commodity fund equity index within a basket of commodities (if relevant)]. [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

47. [**PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT** (*Dual Currency Notes only*)

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

48. OPERATIONAL INFORMATION

(a)	ISIN:	[ ]
(b)	Common Code:	[ ]
(c)	CFI:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(d)	FISN:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(e)	CUSIP:	[ ]

(f)	CINS:	[ ]
(g)	Any clearing system(s) other than DTC, Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*/ Euroclear Sweden AB. Euroclear Sweden identification number: [ ]. The Issuer shall be entitled to obtain information from the register maintained by Euroclear Sweden [for the purposes of performing its obligation under the issue of the Notes]]
(h)	Agent:	Citibank, N.A., London Branch/[*other – give name*]
(i)	Delivery:	Delivery [against/free of] payment
(j)	Names and address of additional or alternative Paying Agent(s) (if any):	[ ]
(k)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes] [No] [Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the International Central Securities Depositaries (**ICSDs**) as common safekeeper, [and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, that is, held under the NSS] [*include this text for Registered Notes which are to be held under the NSS*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [*include this text if "yes" selected in which case the Bearer Notes must be issued in NGN form*] [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,] [*include this text for registered notes*]]. Note that this does not mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of Notes to be issued by the Issuer which will be incorporated by reference into each global Note, and which will be incorporated into each definitive Note. The following Terms and Conditions will be applicable to each Swedish Registered Note. The applicable Final Terms in relation to any Notes (including Swedish Registered Notes) may specify other terms and conditions which shall to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes.

This Note is one of a series of Notes issued by Kommuninvest i Sverige Aktiebolag (publ) (the **Issuer**). Reference herein to the **Notes** shall be references to the Notes of this Series (as defined below) and shall mean (a) in relation to any Notes represented by a global Note, units of each Specified Denomination in the Specified Currency, (b) definitive Notes in bearer form issued in exchange (or part exchange) for a global Note in bearer form, (c) definitive Notes in registered form issued in exchange (or part exchange) for a global Note in registered form, (d) any global Note, and (e) Notes in registered form in accordance with the Swedish Financial Instruments Accounts Act (SFS 1998:1479), as amended (**Swedish Registered Notes**), cleared through the Swedish Central Securities Depository & Clearing Organisation, the Euroclear Sweden AB (**Euroclear Sweden**). Except in the case of Swedish Registered Notes, the Notes, the Coupons and the Receipts (each as defined below) also have the benefit of an amended and restated agency agreement dated 11 June 2021 (the **Agency Agreement** as the same may be amended or supplemented from time to time) among the Issuer, Citibank, N.A., London Branch (the **Principal Paying Agent**, which expression shall include any alternative or successor Principal Paying agent specified in the applicable Final Terms) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents) Citibank, N.A. as exchange agent (the **Exchange Agent**, which expression shall include any successor exchange agent) and Citigroup Global Markets Europe AG as registrar (the **Non-U.S. Registrar**, which expression shall include any successor registrar), Citigroup Global Markets Europe AG as U.S. Registrar (the **U.S. Registrar**, together with the Non-U.S. Registrar, each a **Registrar** which expression shall include any successor registrar) and a transfer agent and the other transfer agents named therein (together with the Registrar, the **Transfer Agents**, which expression shall include any additional or successor transfer agents).

The Notes, the Coupons and the Receipts also have the benefit of a Guarantee (the **Guarantee**) details of which are set out in the applicable Final Terms.

Interest bearing definitive Bearer Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

Any reference herein to **Noteholders** shall mean (in the case of Bearer Notes) the holders of the Notes, and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a global Note and in relation to Swedish Registered Notes, be construed as provided below. Any reference herein to **Receiptholders** shall mean the holders of the Receipts and any reference herein to **Couponholders** shall mean the holders of the Coupons, and shall, unless the context otherwise requires, include the holders of Talons. Swedish Registered Notes are in dematerialised form and, for the avoidance of doubt, any references in these Terms and Conditions to Receipts, Coupons and Talons shall not apply to Swedish Registered Notes.

The final terms for this Note are (except in the case of Swedish Registered Notes) set out in Part 1 of the Final Terms attached hereto or incorporated hereon which supplement these Terms and Conditions and may

specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References herein to the **applicable Final Terms** are to the Final Terms which is (except in the case of Swedish Registered Notes) attached hereto or endorsed hereon.

As used herein **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche of Tranches of Notes which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates (unless this is a Zero Coupon Note), Interest Commencement Dates and/or Issue Prices.

The holders of bearer Notes, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (the **Deed of Covenant**) dated 23 March 2017 and made by the Issuer. The original of the Deed of Covenant is held by a common depositary on behalf of Euroclear and Clearstream, Luxembourg (each as defined below).

Copies of the Agency Agreement (which contains the form of the Final Terms), the Guarantee, the Deed of Covenant, a deed poll (the **Deed Poll**) dated 14 June 2011 and made by the Issuer (i) are available for inspection or collection at the specified offices of each of the Principal Paying Agent, the Registrars and the other Paying Agents, the Exchange Agent and the other Transfer Agents (such Agents, the Calculation Agent (if any is specified in the applicable Final Terms) and the Registrar being together referred to as the **Agents**) or (ii) may be provided by email to a Noteholder following their prior written request to any of the Agents or the Issuer and provision of proof of the holding and identity (in a form satisfactory to the relevant Agent or the Issuer, as the case may be). Copies of the Final Terms applicable to this Note (if this Note is a listed Note) will be available free of charge from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement (other than the holders of Swedish Registered Notes), the Deed Poll, the Deed of Covenant and the applicable Final Terms, which are binding on them.

Unless otherwise expressly provided in the relevant Final Terms, no amendment of the Agency Agreement or these Terms and Conditions effective as of 11 June 2021 shall be applicable to the Notes issued under the Programme on or before 1 July 2021 for which the relevant Final Terms provide that secondary (*uridashi*) offerings of such Notes will be made in Japan where (i) the relevant Securities Registration Statements or (ii) Amendments or Supplemental Documents to Shelf Registration Statements under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) in respect of such Notes were filed prior to 11 June 2021.

Words and expressions defined in the Agency Agreement (in relation to Notes other than Swedish Registered Notes) or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

In the Conditions, **euro** means 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.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form (**Bearer Notes**) or in registered form (**Registered Notes**) as specified in the applicable Final Terms or, in the case of Swedish Registered Notes, in uncertificated and dematerialised book entry form, as specified in the applicable Final Terms, and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

Unless otherwise specified in the applicable Final Terms, Notes, other than Swedish Registered Notes, will initially be represented by a temporary Global Note which will be exchangeable in accordance with its terms for either a permanent Global Note or Notes in definitive form, as specified in the applicable Final Terms. Swedish Registered Notes will be issued in uncertificated and dematerialised book entry form and no global or definitive Notes will be issued in respect thereof and these Terms and Conditions shall be construed accordingly.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Fund Linked Interest Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be a Fund Linked Redemption Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending on the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes (except Swedish Registered Notes) will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

Title to the Swedish Registered Notes will pass by registration in the register that the Issuer will procure to be kept by Euroclear Sweden on behalf of the Issuer. Where a nominee is so evidenced it shall be treated as the holder of the relevant Swedish Registered Notes.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**) or is a Swedish Registered Note, each person (other than Euroclear, Clearstream, Luxembourg or Euroclear Sweden (as defined below)) who is for the time being shown in the records of Euroclear, or of Clearstream, Luxembourg or the register maintained by Euroclear Sweden, as the case may be, as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or Euroclear Sweden, as the case may be, as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Notes for all purposes other than (in the case only of Notes not being Swedish Registered Notes) with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated, by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly.

For so long as The Depository Trust Company (**DTC**) or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and the Notes except to the extent that in accordance with DTC's

published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures of DTC, Euroclear and Clearstream, Luxembourg, as the case may be. Swedish Registered Notes will be transferable only in accordance with the rules and procedures for the time being of Euroclear Sweden. References to DTC, Euroclear, Clearstream, Luxembourg and/or Euroclear Sweden shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

2. TRANSFERS OF REGISTERED NOTES

2.1 Transfers of interests in Registered Global Notes

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

2.2 Transfers of Registered Notes in definitive form

Subject as provided in Conditions 2.5 and 2.6 below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 7 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 8, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.4 Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

2.5 Transfers of interests in Regulation S Global Notes

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a **Transfer Certificate**), copies of which are available from the specified office of any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is both a QIB and a QP in a transaction meeting the requirements of Rule 144A and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the case of such a transfer as described above, such transferee may take delivery through a Legended Note in global or definitive form. After expiry of the applicable Distribution Compliance Period (A) beneficial interests in Regulation S Global Notes registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (B) such certification requirements will no longer apply to such transfers.

2.6 Transfers of interests in Legended Notes

Transfers of Legended Notes or beneficial interests therein may be made:

(a) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that in the case of a Regulation S Global Note registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or

(b) to a transferee who takes delivery of such interest through a Legended Note where the transferee is a person whom the transferor reasonably believes is both a QIB and a QP in a transaction meeting the requirements of Rule 144A, without certification,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall deliver only Legended Notes or refuse to remove the Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor

the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

2.7 Compulsory Sale

The Issuer may compel any beneficial owner of an interest in a Rule 144A Note to sell its interest in such Note, or may sell such interest on behalf of such holder, if such holder is a U.S. Person that is not both a QIB and a QP.

2.8 Definitions

In this Condition, the following expressions shall have the following meanings:

Distribution Compliance Period has the meaning given in Regulation S;

Legended Note means Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A which bear a legend specifying certain restrictions on transfer (a **Legend**);

Investment Company Act means the United States Investment Company Act of 1940, as amended;

QIB means a **qualified institutional buyer** within the meaning of Rule 144A;

QP means a **qualified purchaser** within the meaning of Section 2(a)(51)(A) of the Investment Company Act and the rules and regulations thereunder;

Regulation S means Regulation S under the Securities Act;

Regulation S Global Note means a Registered Global Note representing Notes initially sold outside the United States to persons that are not U.S. persons in reliance on Regulation S;

Rule 144A means Rule 144A under the Securities Act;

Rule 144A Global Note means a Registered Global Note representing Notes initially sold to U.S. Persons in the United States to persons that are both QIBs and QPs;

Securities Act means the United States Securities Act of 1933, as amended; and

U.S. Person has the meaning specified in Regulation S.

3. STATUS OF THE NOTES

Unless otherwise specified in the applicable Final Terms, the Notes and the relative Receipts and Coupons are direct, unconditional, general and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank and will rank *pari passu*, without any preference among themselves, with all other present or future outstanding unsecured and unsubordinated obligations of the Issuer.

4. NEGATIVE PLEDGE

4.1 Negative Pledge

So long as any of the Notes remains outstanding the Issuer will not create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a **Security Interest**) upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any

uncalled capital) to secure any Relevant Indebtedness (as defined below), unless the Issuer shall, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, take any and all action necessary to ensure that:

(a) all amounts payable by it under the Notes and the Coupons are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or

(b) in the case of Notes other than Swedish Registered Notes, such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as shall be approved by an Extraordinary Resolution (defined in the Agency Agreement as a resolution duly passed by a majority of not less than three-fourths of the votes cast) of the Noteholders.

4.2 Interpretation

For the purpose of these Conditions **Relevant Indebtedness** means (a) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being quoted, listed or capable of being quoted or listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market and (b) any guarantee or indemnity of any such indebtedness.

5. GUARANTEE

The Notes and the relative Receipts and Coupons have the benefit of the Guarantee.

The guarantors (together the **Initial Guarantors**) as of the Issue Date are specified in the applicable Final Terms together with details of the date, form and other relevant details of the Guarantee. Other regions and municipalities of Sweden may subsequently become guarantors and together with the Initial Guarantors are referred to herein as the **Guarantors** and each a **Guarantor**. Upon any party becoming a Guarantor the Issuer will promptly notify each stock exchange on which the Notes are at such time listed and details of the Guarantors from time to time in respect of the Notes will be available at the specified offices of the Agent and the other Paying Agents.

The obligations of each Guarantor under the Guarantee are joint and several and constitute direct, unconditional, general and unsecured obligations of such Guarantor and rank *pari passu* with all other present or future outstanding unsecured and unsubordinated obligations of that Guarantor. The Guarantee may be enforced separately in relation to each Guarantor in the Courts of Sweden upon failure by the Issuer to perform any obligations in respect of the Notes without exhaustion of remedies against the Issuer or any other Guarantor.

No Guarantor or any of its assets has any sovereign or other immunity in respect of legal proceedings brought against it in the Courts of Sweden. None of the Guarantors is required by the existing laws of Sweden to make any deductions or withholding from any amount payable under the Guarantee.

6. INTEREST

6.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including or, in the case of Swedish Registered Notes, but excluding) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on (but excluding or, in the case of Swedish Registered Notes, and including) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Terms and Conditions, **Interest Period** means the period from (and including or, in the case of Swedish Registered Notes, but excluding) an Interest Payment Date (or the Interest Commencement Date) to (but excluding or, in the case of Swedish Registered Notes, and including) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(a) in the case of Fixed Rate Notes which are (i) represented by a Global Note or which are Swedish Registered Notes or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Fixed Rate Notes represented by such Global Note or, as the case may be, appearing on the register maintained by Euroclear Sweden on behalf of the Issuer or (B) such Registered Notes (or, in each case, if they are Partly Paid Notes, the aggregate amount paid up); or

(b) in the case of Fixed Rate Notes which are Bearer Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the aggregate outstanding nominal amount of Fixed Rates Notes which are Registered Notes in definitive form or the Calculation Amount in the case of Fixed Rate Notes which are Bearer Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

The Fixed Coupon Amount and Calculation Amount (if any) will only be applicable to Fixed Rate Notes in definitive form.

Where the Specified Denomination of a Fixed Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach Specified Denomination without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 6.1:

(i) if Actual/Actual (ICMA) is specified in the applicable Final Terms:

(A) in the case of Notes where the number of days in the relevant period from (and including or, in the case of Swedish Registered Notes, but excluding) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding or, in the case of Swedish Registered Notes, and including) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual

Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(ii) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including or, in the case of Swedish Registered Notes, but excluding) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding or, in the case of Swedish Registered Notes, and including) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Terms and Conditions:

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

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

6.2 Interest on Floating Rate Notes, Fund Linked Interest Notes and Index Linked Interest Notes

(a) Interest Payment Dates

Each Floating Rate Note, Fund Linked Interest Note and Index Linked Interest Note bears interest from (and including or, in the case of Swedish Registered Notes, but excluding) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including or, in the case of Swedish Registered Notes, but excluding) an Interest Payment Date (or the Interest Commencement Date) to (but excluding or, in the case of Swedish Registered Notes, and including) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (a) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (b) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 6.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, **Business Day** means a day which is:

I. a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) and in the case of an issue of Registered Notes represented by a Global Notes registered in the name of a nominee for DTC, New York City, and each Additional Business Centre (other than the TARGET2 System (as defined below)) specified in the applicable Final Terms; and

II. if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open; and

III. either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and

IV. a day on which the ICSDs and/or any other relevant clearing system (including DTC in the case of an issue of Registered Notes represented by a Global Note registered in the name of a nominee for DTC) is open for general business.

(b) Rate of Interest

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

(i) ISDA Determination

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent or the Calculation Agent, as applicable, under an interest rate swap transaction if the Principal Paying Agent or the Calculation Agent, as applicable, were acting as Calculation Agent (as defined in the ISDA Definitions (as defined below)) for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

(A) the Floating Rate Option is as specified in the applicable Final Terms;

(B) the Designated Maturity is a period equal to that Interest Period; and

(C) the relevant Reset Date is either (I) if the applicable Floating Rate Option is based on the London inter-bank offered rate (**LIBOR**) or on the Euro-Zone, inter-bank offered rate (**EURIBOR**) for currency, the first day of that Interest Period or (II) in any other case, as specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

When this subparagraph (i) applies, in respect of each relevant Interest Period the Agent or that other person specified in the applicable Final Terms will be deemed to have discharged its obligations under Condition 6.2(d) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this subparagraph (i).

(ii) Screen Rate Determination for Floating Rate Notes

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

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, Stockholm time, in the case of the Stockholm inter-bank offered rate (**STIBOR**), or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one of such quotations) shall be disregarded by the Principal Paying Agent or the Calculation Agent, as applicable, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (A) above no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified above, the Reference Banks Agent or the Calculation Agent (acting in consultation with the Issuer), as applicable shall request each of the Reference Banks to provide the Reference Banks Agent or the Calculation Agent (acting in consultation with the Issuer), as applicable with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Reference Banks Agent or the Calculation Agent (acting in consultation with the Issuer), as applicable, with offered quotations the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the relevant Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Reference Banks Agent or the Calculation Agent (acting in consultation with the Issuer), as applicable, with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Reference Banks Agent or the Calculation Agent (acting in consultation with the Issuer), as applicable, by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR), the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Stockholm inter-bank market (if the Reference Rate is STIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Reference Banks Agent or the Calculation Agent (acting in consultation with the Issuer), as applicable, with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Reference Banks Agent or the Calculation Agent (acting in consultation with the Issuer), as applicable, it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR), the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Stockholm inter-bank market (if the Reference Rate is STIBOR) plus or minus (as appropriate) the Margin (if any), provided

that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

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

In these Terms and Conditions:

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

(i) if the Reference Rate is LIBOR (other than Sterling or Euro LIBOR), the second London business day prior to the start of each Interest Period;

(ii) if the Reference Rate is Sterling LIBOR, the first day of each Interest Period;

(iii) if the Reference Rate is Euro LIBOR or EURIBOR, the second day on which the TARGET2 System is open prior to the start of each Interest Period; or

(iv) if the Reference Rate is STIBOR, the second Stockholm business day prior to the start of each Interest Period.

Reference Bank means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Eurozone office of four major banks in the Eurozone inter-bank market and, in the case of a determination of STIBOR, the principal Stockholm office of four major banks in the Stockholm inter-bank market, in each case selected by the Reference Banks Agent or the Calculation Agent (acting in consultation with the Issuer), as applicable.

Reference Banks Agent means an independent investment bank, commercial bank or stockbroker appointed by the Issuer.

Reference Rate means (i) LIBOR, (ii) EURIBOR or (iii) STIBOR, in each case for the relevant period, as specified in the applicable Final Terms.

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

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

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

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

(d) Determination of Rate of Interest and calculation of Interest Amounts

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

The Principal Paying Agent or the Calculation Agent, as applicable, will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes, Fund Linked Interest Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

(i) in the case of Floating Rate Notes, Fund Linked Interest Notes or Index Linked Interest Notes which are represented by a Global Note or which are Swedish Registered Notes, the aggregate outstanding nominal amount of the Notes represented by such Global Note or, as the case may be, appearing on the register maintained by Euroclear Sweden on behalf of the Issuer (or, in either case, if they are Partly Paid Notes, the aggregate amount paid up); or

(ii) in the case of Floating Rate Notes, Fund Linked Interest Notes or Index Linked Interest Notes in definitive form, the Calculation Amount,

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

Day Count Fraction means, in respect of the calculation of an amount of interest for any Interest Period in accordance with this Condition 6.2:

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

(ii) if **Actual/365 (Fixed)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if **Actual/365 (Sterling)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if **Actual/360** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if **30/360**, **360/360** or **Bond Basis** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls:

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

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

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

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls:

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30; and

(vii) if **30E/360 (ISDA)** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls:

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless (a) that day is the last day of February or (b) such number would be 31, in which case D_1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (a) that day is the last day of February but not the Maturity Date or (b) such number would be 31, in which case D_2 will be 30.

(e) Notification of Rate of Interest and Interest Amounts

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

(f) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6 whether by the Principal Paying Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent (if applicable) the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(g) Benchmark Discontinuation

This Condition 6.2(g) applies only where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined.

(i) Independent Adviser

Notwithstanding Condition 6.2(b)(ii), if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 6.2(g)(ii)) and, in either case, an Adjustment Spread (in accordance with Condition 6.2(g)(iii)) and any Benchmark Amendments (in accordance with Condition 6.2(g)(iv)).

An Independent Adviser appointed pursuant to this Condition 6.2(g) shall act in good faith and in a commercially reasonable manner in consultation with the Issuer. In the absence of wilful default or bad faith, the Independent Adviser shall have no liability whatsoever to the Agents or the Noteholders for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 6.2(g).

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 6.2(g)(i) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the immediately preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that immediately preceding Interest Period. For the avoidance of doubt, this subparagraph shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 6.2(g).

(ii) Successor Rate or Alternative Rate

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:

(A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 6.2(g)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 6.2(g)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 6.2(g)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this Condition 6.2(g)).

(iii) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) Benchmark Amendments

If any Successor Rate or Alternative Rate and Adjustment Spread is determined in accordance with this Condition 6.2(g) and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Conditions, the Agency Agreement and/or the Deed of Covenant are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 6.2(g)(v), without any requirement for the consent or approval of Noteholders, vary these Conditions, the Agency Agreement and/or the Deed of Covenant to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Agent of a certificate signed by two authorised signatories of the Issuer pursuant to Condition 6.2(g)(v), the Agent shall (at the expense and direction of the Issuer), without any requirement for the consent or approval of the Noteholders or the Couponholders, be obliged to use its reasonable endeavours to implement any Benchmark Amendments (including, *inter alia*, by the execution of an agreement supplemental to or amending the Agency Agreement) and the Agent shall not be liable to any party for any consequences thereof, provided that the Agent shall not be obliged so to implement if in the opinion of the doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in these Conditions and/or any documents to which it is a party (including, for the avoidance of doubt, any supplemental agency agreement) in any way.

In connection with any such variation in accordance with this Condition 6.2(g)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) Notices

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 6.2(g) will be notified promptly by the Issuer to the Agents and, in accordance with Condition 15, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Agent of the same, the Issuer shall deliver to the Agent a certificate signed by two authorised signatories of the Issuer:

(A) confirming (I) that a Benchmark Event has occurred, (II) the Successor Rate or, as the case may be, the Alternative Rate, (III) any Adjustment Spread and (IV) the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 6.2(g); and

(B) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Agent shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or

Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Agents and the Noteholders.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 6.2(g) (i), (ii), (iii) and (iv), the Original Reference Rate and the fallback provisions provided for in Condition 6.2(b) will continue to apply unless and until a Benchmark Event has occurred and the relevant Paying Agent or the Calculation Agent (if applicable) has been notified of the Successor Rate or the Alternative Rate (as the case may be), the Adjustment Spread and any Benchmark Amendments, in accordance with Condition 6.2(g)(v).

(vii) Definitions

As used in this Condition 6.2(g):

Adjustment Spread means either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in either case, which the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

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

(B) the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or (if the Issuer determines that no such industry standard is recognised or acknowledged)

(C) the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines to be appropriate;

Alternative Rate means an alternative benchmark or screen rate which the Issuer following consultation with the Independent Adviser, determines in accordance with Condition 6.2(g)(ii) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes;

Benchmark Amendments has the meaning given to it in Condition 6.2(g)(iv);

Benchmark Event means;

(A) the Original Reference Rate ceasing be published for a period of at least 5 Business Days or ceasing to exist; or

(B) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to the date specified in (i); or

(C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that (i) the Original Reference Rate has been permanently or indefinitely discontinued or (ii) the Original Reference Rate is no longer representative of an underlying market; or

(D) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the date specified in (i); or

(E) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will, on or before a specified date, be prohibited from being used either generally, or in respect of the Notes and (ii) the date falling six months prior to the date specified in (i); or

(F) it has or will become unlawful for any Paying Agent, Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholders using the Original Reference Rate;

Independent Adviser means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer at its own expense under Condition 6.2(g)(i) and notified in writing to the Agent;

Original Reference Rate means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes or (if applicable) any other successor or alternative rate (or component part thereof) determined and applicable to the Notes pursuant to the earlier operation of this Condition 6.2(g);

Relevant Nominating Body means, in respect of a benchmark or screen rate (as applicable):

(A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

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

6.3 Interest on Dual Currency Interest Notes

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

6.4 Interest on Partly Paid Notes

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

6.5 Accrual of Interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused.

In such event in respect of Notes other than Swedish Registered Notes, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable has been received by the Principal Paying Agent or the Paying Agent, as the case may be, and notice to that effect has been given in accordance with Condition 15.

In such event in respect of Swedish Registered Notes, interest will continue to accrue until the date the holders of the Swedish Registered Notes receive the full amount of such payment.

7. PAYMENTS

7.1 Method of Payment

Subject as provided below:

(a) payments in a Specified Currency other than euro will be made by transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively); and

(b) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be transferred) specified by the payee.

7.2 Payments Subject to Fiscal and Other Laws

Payments will be subject in all cases, but without prejudice to the provisions of Condition 9, to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the **Code**), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (**FATCA**), any regulations or agreements thereunder, any official

interpretations thereof, or any law implementing an intergovernmental approach thereto, and (iii) any withholding or deduction required pursuant to Section 871(m) of the Code.

7.3 Presentation of definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 7.1 above only against surrender of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Payments of instalments of principal (if any), other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt. Payment of the final instalment will be made against surrender of the relevant Bearer Note. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer.

Upon the date on which any definitive bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Fund Linked Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons failing to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 9) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10) or, if later, five years from the date on which such Coupon would otherwise have become due. Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof. A "Long Maturity Note" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

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

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

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

Notwithstanding the foregoing, U.S. dollar payments of interest in respect of the Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of interest on the Notes in the manner provided above when due;

(b) payment of the full amount of such interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

7.4 Payments in respect of Registered Notes

Payments of principal and interest in respect of Swedish Registered Notes will be made to the persons registered as Noteholders in the register maintained by Euroclear Sweden on the fifth Stockholm business day (or in accordance with the rules and procedures applied by Euroclear Sweden from time to time) prior to the due date for such payment, or such other Stockholm business day falling closer to the due date as then may be stipulated in said rules and procedures. The remaining provisions of this Condition 7.4 shall apply only to Registered Notes.

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg and/or DTC, as applicable, are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non resident of Japan, shall be a non resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (other than Swedish Registered Notes) (whether or not in global

form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg and/or DTC, as applicable, are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**). Upon application of the holder to the specified office of the Paying Agent not less than three business days in the city where the specified office of the Paying Agent is located on the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Paying Agent is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Paying Agent to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Agency Agreement.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

7.5 Payment Day for Notes other than Swedish Registered Notes

This Condition 7.5 shall apply only to Notes other than Swedish Registered Notes. If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, unless otherwise specified in the applicable Final Terms, **Payment Day** means any day which (subject to Condition 10) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

  (i) in the case of Notes in definitive form only, the relevant place of presentation;

  (ii) each Additional Financial Centre (other than TARGET2 System) specified in the applicable Final Terms;

  (iii) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 System is open; and

(b) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for

general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and

(c) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

7.6 Payment Date for Swedish Registered Notes

If the date for payment of any amount in respect of Swedish Registered Notes is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, unless otherwise specified in the applicable Final Terms, **Payment Day** means any day which (subject to Condition 10) is a day on which commercial banks are open for general business in Stockholm.

7.7 Interpretation of Principal and Interest

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

(a) any additional amounts which may be payable with respect to principal under Condition 9;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Notes redeemable in instalments, the Instalment Amounts; and

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

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9.

7.8 General Provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note. No person other than the holder of such Global Note shall have any claim against the Issuer in respect of any payments due on that Global Note.

8. REDEMPTION AND PURCHASE

8.1 At Maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Fund Linked Redemption Note, Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

8.2 Redemption for Tax Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of the Notes other than Floating Rate Notes, Fund Linked Interest Notes or Index Linked Interest Notes) or on any Interest Payment Date (in the case of Floating Rate Notes, Fund Linked Interest Notes or Index Linked Interest Notes), on giving not less than 30 nor more than 60 days' notice in accordance with Condition 15 to the Noteholders (which notice shall be irrevocable) and, in the case of Notes other than Swedish Registered Notes, to the Principal Paying Agent, if:

(a) as a result of any change in, or amendment to the laws or regulations of Sweden or any political sub-division of, or any authority in, or of, Sweden having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective 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 or referred to in Condition 9; and

(b) the requirement cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days before the earliest date on which the Issuer would be required to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Principal Paying Agent (or, in the case of Swedish Registered Notes, to Euroclear Sweden) a certificate signed by two Directors of the Issuer stating that the requirement referred to in (a) above will apply on the occasion of the next payment due in respect of the Notes and cannot be avoided by the Issuer taking reasonable measures available to it and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of the change or amendment.

Notes redeemed pursuant to this Condition 8.2 will be redeemed at their Early Redemption Amount referred to in Condition 8.5 below together (if appropriate) with interest accrued to (but excluding or, in the case of Swedish Registered Notes, and including), the date of redemption.

8.3 Redemption at the Option of the Issuer (Issuer Call)

If the Issuer is specified in the applicable Final Terms as having an option to redeem (an **Issuer Call**), the Issuer may, having given not less than 30 nor more than 45 days' notice in accordance with Condition 15 to the Noteholders (which notice shall be irrevocable) and in the case of Notes other than Swedish Registered Notes, to the Principal Paying Agent and in the case of a redemption of Registered Notes, the Registrar, redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding or, in the case of Swedish Registered Notes, and including), the Optional Redemption Date(s). Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a Higher Redemption Amount, in each case as may be

specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), and/or DTC, as applicable, in the case of Redeemed Notes represented by a Global Note, and in accordance with the rules of Euroclear Sweden in the case of Swedish Registered Notes, in each case not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of such Redeemed Notes will be published in accordance with Condition 15 not less than 30 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this Condition 8.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 at least five days prior to the Selection Date.

8.4 Redemption at the Option of the Noteholders (Investor Put)

If the Noteholders are specified in the applicable Final Terms as having an option to redeem (an **Investor Put**) upon the holder of any Note giving to the Issuer in accordance with Condition 15 not less than 30 nor more than 45 days, notice or such other period of notice as is specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding or, in the case of Swedish Registered Notes, and including), the Optional Redemption Date. Registered Notes may be redeemed under this Condition 8.4 in any multiple of their lowest Specified Denomination. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require redemption of this Note the holder of this Note must deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) or (in the case of Swedish Registered Notes) the Issuing Agent at any time during normal business hours of such Paying Agent or the Registrar or the Issuing Agent, as the case may be, falling within the notice period, a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (or the Issuing Agent) (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition 8.4 and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. If this Note is in definitive bearer form, the Put Notice must be accompanied if this Note is in definitive form, by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

In the case of Swedish Registered Notes, a Put Notice will not be effective against the Issuer before the date on which the relevant Notes have been transferred to the account designated by the Issuing Agent and blocked for further transfer as the Optional Redemption Date by said Issuing Agent.

Any Put Notice given by a holder of any Note pursuant to this Condition 8.4 shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 8.4 and instead to declare such Note forthwith due and payable pursuant to Condition 11.

In the case of Notes represented by a Global Note, the right to require redemption of such Notes in accordance with this Condition 8.4 must be exercised in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg. Notwithstanding the foregoing, in the case of Swedish Registered Notes, the right to require redemption of such Notes in accordance with this Condition 8.4 must be exercised in accordance with the rules and procedures of Euroclear Sweden and if there is any inconsistency between the foregoing and the rules and procedures of Euroclear Sweden, the rules and procedures of Euroclear Sweden shall prevail.

In the case of Notes represented by a Global Note or in definitive form and held through Euroclear, Clearstream, Luxembourg or DTC, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg, DTC or any depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg and DTC from time to time.

8.5 Early Redemption Amounts

For the purpose of Condition 8.2 above and Condition 11:

(a) each Note (other than a Zero Coupon Note) will be redeemed at the Early Redemption Amount specified in the Final Terms, or if no such amount is specified, its nominal amount; and

(b) each Zero Coupon Note will be redeemed at its Early Redemption Amount calculated in accordance with the following formula:

Early Redemption Amount = $RP \times (1+AY)^y$

where:

RP means the Reference Price;

AY means the Accrual Yield, expressed as a decimal; and

y is a fraction, the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including or, in the case of Swedish Registered Notes, but excluding) the Issue Date of the first Tranche of the Notes to (but excluding or, in the case of Swedish Registered Notes, and including) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such calculation basis as may be specified in the applicable Final Terms.

8.6 Instalments

If the Notes are repayable in instalments, they will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 8.5 above.

8.7 Partly Paid Notes

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

8.8 Purchases

The Issuer may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) in any manner and at any price. Any Notes other than Swedish Registered Notes purchased may be held, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or the Registrar for cancellation. Any Swedish Registered Notes purchased may be held, resold or cancelled.

8.9 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes other than Swedish Registered Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 8.8 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

8.10 Late Payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 8.1, 8.2, 8.3 or 8.4 above or upon its becoming due and repayable as provided in Condition 11 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 8.5(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which, in respect of Notes other than Swedish Registered Notes, is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholder in accordance with Condition 15 or individually.

In such event in respect of Swedish Registered Notes, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 8.5(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date upon which the holders of the Swedish Registered Notes receive the full amount of such payment.

9. TAXATION

All payments in respect of the Notes, Receipts and Coupons by the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of Sweden; or any political sub-division of, or any authority in, Sweden having power to tax, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after the withholding or deduction, shall equal the respective amounts which would have been receivable in respect of the Notes, Receipts or Coupons, as the case may be,

in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) to, or to a third party on behalf of, a Noteholder, Receiptholder or Couponholder who is liable to the Taxes in respect of such Note, Receipt or Coupon by reason of his having some connection with Sweden other than the mere holding of such Note, Receipt or Coupon; or

(b) to, or to a third party on behalf of, a Noteholder, Receiptholder or Couponholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or

(c) in the case of the Notes other than Swedish Registered Notes, presented for payment more than 30 days after the Relevant Date (as defined below), except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming that day to have been a Payment Day; or

(d) in the case of the Notes other than Swedish Registered Notes, presented for payment in Sweden.

Notwithstanding anything to the contrary in this Condition 9, none of the Issuer, any paying agent or any other person shall be required to pay any additional amounts with respect to any withholding or deduction imposed on or in respect of any Note (a) pursuant to FATCA, any treaty, law, regulation or other official guidance implementing FATCA, or any agreement between the Issuer, a paying agent or any other person and the United States, any other jurisdiction, or any authority of any of the foregoing implementing FATCA, or (b) pursuant to Section 871(m) of the Code.

As used herein, **Relevant Date** means the date on which such payment first becomes due, but, if the full amount of the money payable has not been received by the Agent or the Registrar or, in the case of Swedish Registered Notes, the holders of the Swedish Registered Notes on or before such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 15.

10. PRESCRIPTION

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 9) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 10 or Condition 7.3 or any Talon which would be void pursuant to Condition 7.3.

In the case of Swedish Registered Notes, claims against the Issuer for the payment of principal and interest payable in respect of the Notes shall be prescribed unless made within ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor and thereafter any principal or interest payable in respect of such Notes shall be forfeited and revert to the Issuer.

11. EVENTS OF DEFAULT

If any one or more of the following events (each an **Event of Default**) shall have occurred and be continuing:

(a) there is a default in the payment in the Specified Currency of principal or any interest due on the Notes for more than ten days; or

(b) there is a default in the performance by the Issuer of any other obligation under these Conditions which continues for more than 21 days after notice thereof shall have been given to the Issuer (which, in the case of Notes other than Swedish Registered Notes shall be at the specified office of the Agent); or

(c) any Borrowing of the Issuer shall be accelerated so as to become due and payable prior to the due date therefor by reason of any default thereunder by the Issuer or any such Borrowing shall not be repaid on the due date thereof or within any applicable grace period, provided that no event described in this Condition 11 shall constitute an Event of Default unless the Borrowing or other relative liability either alone or when aggregated with other Borrowing and/or other liabilities relative to all (if any) other events which shall have occurred and be continuing shall amount to at least €30,000,000 (or its equivalent in any other currency); or

(d) an order is made or an effective resolution passed for the dissolution or liquidation of the Issuer, or the Issuer is adjudicated or found bankrupt or insolvent by any competent court, or the Issuer ceases or threatens to cease to carry on all or a substantial part of its business or disposes or threatens to dispose of the whole or a substantial part of its assets; or

(e) the Issuer is unable to pay its debts as they fall due, or an encumbrancer takes possession of the whole or any substantial part of the property of the Issuer, or the Issuer makes an assignment for the benefit of its creditors, or any proceedings are instituted or other action is taken under any applicable bankruptcy, insolvency or similar law in respect of the Issuer seeking adjudication as a bankrupt or insolvent, a moratorium or a composition, or the appointment of a liquidator or receiver (or similar official) in bankruptcy or insolvency of the Issuer or any substantial part of its property, and any such proceedings or other action remains in effect for more than 30 days, or an order is made or effective resolution passed by the Issuer applying for or granting a suspension of payments; or

(f) the Guarantee of the obligations of the Issuer in respect of the Notes ceases in respect of all the Guarantors to be, or is claimed by all the Guarantors not to be, in full force and effect,

then any Noteholder may, by written notice to the Issuer (which, in the case of Notes other than Swedish Registered Notes shall be at the specified office of the Principal Paying Agent), effective upon the date of receipt thereof by the Issuer or, as applicable, the Principal Paying Agent, declare the Note held by the holder to be forthwith due and payable, whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 8.5), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

For the purposes of paragraph (c) above, **Borrowing** means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptances, or acceptance credit or (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed, whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash in whole or in part for a consideration other than cash.

In the case of Swedish Registered Notes the date of repayment will be such later date on which the relevant Notes have been transferred to the account designated by the Issuing Agent and blocked for further transfer by that Issuing Agent.

12. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS (OTHER THAN SWEDISH REGISTERED NOTES)

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Receipts or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13. AGENT AND PAYING AGENTS

13.1 Notes other than Swedish Registered Notes

The following shall apply only to Notes other than Swedish Registered Notes.

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below.

The Principal Paying Agent, Transfer Agent, U.S. Paying Agent and U.S. Transfer Agent
Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Telephone: +353 1 622 2210
Telefax: +353 1 622 4030
Attention: Agency & Trust

The Exchange Agent
Citibank, N.A.
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Telephone: +353 1 622 2210
Telefax: +353 1 622 4030
Attention: Agency & Trust

The Non-U.S. Registrar and U.S. Registrar
Citigroup Global Markets Europe AG
Reuterweg 16
60323 Frankfurt
Germany

Telephone: +49(0)69 1366 1256
Telefax: +49 (0)69 1366 1429
Attention: Agency and Trust

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

(a) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or other relevant authority);

(b) there will at all times be a Paying Agent (which may be the Agent) with a specified office in a city in a principal financial centre in Europe in a jurisdiction other than Sweden;

(c) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent maintained in accordance with all applicable laws and clearing system requirements; and

(d) there will at all times be a Principal Paying Agent and a Registrar.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 7.3. Notice of any variation, termination, appointment or change will be given to the Noteholders promptly by the Issuer in accordance with Condition 15.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted, or with which it is consolidated or to which it transfers all or substantially all of its assets, to become the successor paying agent.

13.2 Swedish Registered Notes

The following shall apply only to Swedish Registered Notes.

In relation to Swedish Registered Notes the Issuer will, in accordance with the Swedish Financial Instrument Accounts Act (SFS 1998:1479), appoint (a) Euroclear Sweden as the central securities depository, and (b) an Issuing Agent. The Issuing Agent will be specified in the relevant Final Terms.

The Issuer is entitled to vary or terminate the appointment of Euroclear Sweden or the Issuing Agent, provided that the Issuer will appoint another central securities depository or Issuing Agent, each of them to be duly authorised under the Swedish Financial Instrument Accounts Act (SFS 1998:1479). The central securities depository and the Issuing Agent act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders.

14. EXCHANGE OF TALONS

On and after the Fixed Interest Date or the Interest Payment Date, as appropriate, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Notes to which it appertains) a further Talon, subject to the provisions of Condition 10. Each Talon shall, for the purposes of these Terms

and Conditions, be deemed to mature on the Fixed Interest Date or the Interest Payment Date (as the case may be) on which the final Coupon comprised in the relative Coupon sheet matures.

15. NOTICES

All notices regarding the Bearer Notes shall be published (a) in a leading English language daily newspaper of general circulation in London and (b) if and for so long as the Bearer Notes are listed on the Official List of, and admitted to trading on, the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, in a daily newspaper of general circulation in Luxembourg and/or on the Luxembourg Stock Exchange's website, *www.bourse.lu*. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London and the *Luxemburger Wort* or the *Tageblatt* in Luxembourg. Any such notice will be deemed to have been given on the date of the first publication in both such newspapers.

All notices to holders of Swedish Registered Notes will be valid if mailed to their registered addresses appearing on the register of Euroclear Sweden. Any such notice shall be deemed to have been given on the fourth day after the day on which it is mailed. No Swedish Registered Notes shall be listed on the Luxembourg Stock Exchange.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as the Global Note(s) is or are held in its or their entirety on behalf of Euroclear and Clearstream, Luxembourg and/or DTC, be substituted for publication in such newspapers or such mailing the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes, except that, for so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, the notice shall also be published in a daily newspaper of general circulation in Luxembourg. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg and/or DTC.

Notices to be given by any holder of the Notes other than Swedish Registered Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent via Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Agent and Euroclear and/or Clearstream and/or DTC, Luxembourg, as the case may be, may approve for this purpose.

16. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

16.1 Notes other than Swedish Registered Notes

The Agency Agreement contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or certain provisions of the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution is one or more persons present holding or

representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons present whatever the nominal amount of the Notes so held or represented by him or them, except that at any meeting the business of which includes the modification of certain provisions of the Notes, Receipts or Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, Receipts or Coupons or amending the Deed of Covenant in certain respects), the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in nominal amount of the Notes for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Principal Paying Agent) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Receiptholders and Couponholders.

The Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders to:

(a) any modification (except as mentioned above) of the Notes, the Receipts, the Coupons, the Deed of Covenant or the Agency Agreement which is not materially prejudicial to the interests of the Noteholders; or

(b) any modification of the Notes, the Receipts, the Coupons, the Deed of Covenant or the Agency Agreement which is of a formal, minor or technical nature or which is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and shall be notified to the Noteholders in accordance with Condition 15 as soon as practicable thereafter.

16.2 Swedish Registered Notes

Euroclear Sweden and the Issuer may agree, without the consent of the Noteholders to:

(a) any modification of the Notes which is not materially prejudicial to the interests of the Noteholders; or

(b) any modification of the Notes which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Noteholders and shall be notified to the Noteholders in accordance with Condition 15 as soon as practicable thereafter.

17. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, Receiptholders or Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single series with the outstanding Notes, provided that such further notes will be treated as fungible with any such outstanding Registered Notes for U.S. federal income tax purposes.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

19.1 Governing Law and Jurisdiction

The Agency Agreement, the Deed of Covenant, the Deed Poll, the Notes (other than Swedish Registered Notes), the Receipts and the Coupons and any non-contractual obligations arising out of or in connection therewith are governed by, and shall be construed in accordance with, English law.

Swedish Registered Notes and any non-contractual obligations arising out of or in connection with the Swedish Registered Notes are governed by, and shall be construed in accordance with, Swedish Law.

The Issuer irrevocably agrees for the benefit of the holders of Notes other than Swedish Registered Notes, the Receiptholders and the Couponholders, that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement, the Notes, the Receipts and/or the Coupons (including any disputes relating to any non-contractual obligations which may arise out of or in connection with the Agency Agreement, the Notes, the Receipts and/or the Coupons) and that accordingly any suit, action, or proceedings arising out of or in connection therewith, including any suit, action or proceedings relating to any non-contractual obligations arising out of or in connection with Agency Agreement, the Notes, the Receipts and/or the Coupons) (together referred to as **Proceedings**) may be brought in the courts of England. The Issuer irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any Proceedings in the courts of England and any claim that any Proceedings have been brought in an inconvenient forum and irrevocably agrees that a judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon the Issuer and may be enforced in the courts of any other jurisdiction. Nothing contained in this Condition 19.1 shall limit any right to take Proceedings against the Issuer in any other court of competent, jurisdiction; and the taking of Proceedings in one or more jurisdictions shall not preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

The Issuer hereby appoints the Business Sweden - The Swedish Trade & Invest Council at its office for the time being in England as its agent for service of process in England in respect of any Proceedings, and undertakes that in the event of it ceasing so to act it will appoint another person as its agent for that purpose.

19.2 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 19.2, includes each holder of a beneficial interest in the Notes), by its acquisition of

the Notes, each Noteholder acknowledges and accepts that any liability arising under the Notes may be subject to the exercise of Swedish Statutory Loss Absorption Powers by the Relevant Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:

(a) the effect of the exercise of any Swedish Statutory Loss Absorption Powers by the Relevant Resolution Authority, which exercise (without limitation) may include and result in any of the following, or a combination thereof:

  (i) the reduction of all, or a portion, of the Relevant Amounts in respect of the Notes;

  (ii) the conversion of all, or a portion, of the Relevant Amounts in respect of the Notes into shares, other securities or other obligations of the Issuer or another person, and the issue to or conferral on the Noteholder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Notes;

  (iii) the cancellation of the Notes or the Relevant Amounts in respect of the Notes; and

  (iv) the amendment of the amount of interest payable on the Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period; and

(b) the variation of the terms of the Notes, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Swedish Statutory Loss Absorption Powers by the Relevant Resolution Authority.

For the purposes of this Condition 19.2:

BRRD means the Directive (2014/59/EU) of the European Parliament and of the Council on resolution and recovery of credit institutions and investment firms dated 15 May 2014 and published in the Official Journal of the European Union on 12 June 2014 (or, as the case may be, any provision of Swedish law transposing or implementing such Directive), as amended or replaced from time to time;

Relevant Amounts means the outstanding principal amount of the Notes, together with any accrued but unpaid interest and additional amounts (as described in Condition 7) due on the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any Swedish Statutory Loss Absorption Powers by the Relevant Resolution Authority;

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

Swedish Statutory Loss Absorption Powers means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Kingdom of Sweden, relating to (i) the transposition of the BRRD (including but not limited to the Resolution Act (*Lagen (2015:1016 om resolution)*) as amended or replaced from time to time and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of the Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified, or converted into shares, other securities or other obligations of the Issuer or any other person (or suspended for a temporary period).

The exercise of any Swedish Statutory Loss Absorption Power by the Relevant Resolution Authority with respect to the Notes shall not constitute an Event of Default, and the terms and conditions of the

Notes shall continue to apply in relation to the residual principal amount of, or outstanding amount payable with respect to, the Notes, subject to any modification of the amount of interest payable to reflect the reduction of the principal amount, and any further modification of the terms that the Relevant Resolution Authority may decide in accordance with applicable laws and regulations.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied for the general financing activities of the Issuer, which include making a profit. If in respect of any particular issue there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

BOOK-ENTRY CLEARANCE SYSTEMS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the **Clearing Systems***) currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Information in this section has been derived from the Clearing Systems.*

Book-entry Systems

DTC

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a "banking organisation" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants (**Direct Participants**) deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is a wholly-owned subsidiary of the Depositary Trust & Clearing Corporation (**DTCC**). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulation subsidiaries. Access to the DTC System owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**Indirect Participants**). The DTC rules applicable to its participants are on file with the Securities and Exchange Commission. More information about DTCC can be found at www.dtcc.com and www.dtc.org but such information is not incorporated by reference in and does not form part of this Base Prospectus.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the **DTC Rules**), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system (**DTC Notes**) as described below and receives and transmits distributions of principal and interest on DTC Notes. The DTC Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes (**Owners**) have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the DTC Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note (**Beneficial Owner**) is in turn to be recorded on the Direct Participant's and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as

well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co, or such other name as may be requested by an authorised representative of DTC. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If fewer than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Notes unless authorised by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the relevant agent (or such other nominee as may be requested by an authorised representative of DTC), on the relevant payment date in accordance with their respective holdings shown in DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct Participants and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

In connection with any optional tender of Notes, or (if specified as applicable in the relevant Final Terms) redemption of Notes at the option of Noteholders, a Beneficial Owner shall give notice to elect to have its DTC Notes purchased or tendered, through its Participant, to the relevant agent, and shall effect delivery of such DTC Notes by causing the Direct Participant to transfer the Participant's interest in the DTC Notes, on DTC's records, to the relevant agent. The requirement for physical delivery of DTC Notes in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the DTC

Notes are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered DTC Notes to the relevant agent's DTC account.

DTC may discontinue providing its services as depositary with respect to the DTC Notes at any time by giving reasonable notice to the Issuer or the relevant agent. Under such circumstances, in the event that a successor depositary is not obtained, Registered Notes in definitive form are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depositary). In that event, Registered Notes in definitive form will be printed and delivered to DTC.

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Book-entry Ownership of and Payments in respect of DTC Notes

The Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Note will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Note, the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

Transfers of Notes Represented by Registered Global Notes

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a Direct Participant or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Subscription and Sale and Transfer and Selling Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant Clearing System in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian (**Custodian**) with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their direct or indirect participants or accountholders of their obligations under the rules and procedures governing their operations nor will the Issuer, any Agent or any

Dealer have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

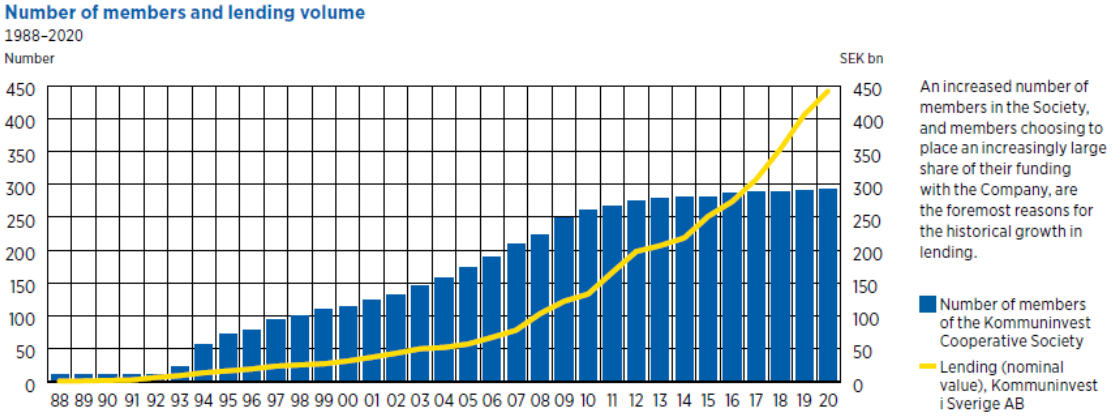
KOMMUNINVEST I SVERIGE AKTIEBOLAG (PUBL)

Overview

Kommuninvest is a specialised lender to the public sector in Sweden that provides funding to member municipalities and regions. Established as a cooperative membership organisation, Kommuninvest is owned and guaranteed by Swedish local governments and acts as a local government debt office in Sweden. Kommuninvest's primary interest is not to generate profits for its owners, but to secure access to long-term, cost-efficient financing and provide financial services to municipalities and regions and to their majority-owned companies (provided that their obligations are guaranteed by their owners). The aim is to create lasting, favourable conditions for the financial operations of municipalities and regions in Sweden. Kommuninvest's operations are built on a foundation of local government values and it maintains a conservative approach and a low risk profile.

Kommuninvest is the largest individual lender to the local government sector in Sweden and all of its obligations are guaranteed by its members. The Swedish local government sector is zero-risk weighted according to national capital coverage rules and the SFSA has confirmed the same zero-risk weighting for Kommuninvest. Kommuninvest is subject to the supervision of the SFSA and is an approved monetary policy counterparty to the Swedish Central Bank, Sveriges Riksbank.

History and Corporate Organisation



Kommuninvest i Örebro län Aktiebolag was incorporated in Örebro as a limited liability company on 6 August 1986 on the local initiative of the county council (region) and the municipalities in Örebro County. The purpose of its establishment was to create a regional platform for cooperation on financial matters. During the years that followed, the benefits offered by financial collaboration generated increasing interest in the operation and, commencing in March 1993, municipalities and county councils outside Örebro County were offered the opportunity to participate in the cooperative, on a national level. To reflect the expansion of membership throughout Sweden, the company's name was changed to Kommuninvest i Sverige Aktiebolag (adopted on 26 March 1993) and the ownership structure of the company was transformed into indirect ownership through the Kommuninvest Cooperative Society (the "**Society**"), in which the owners are members. The Society is the sole owner of Kommuninvest i Sverige Aktiebolag (hereinafter, "**Kommuninvest**" or the "**Company**", and together with the Society and Kommuninvest Fastighets AB, which is the Company's wholly owned subsidiary, the "**Group**"), in which all financial operations are conducted. Following a decision by the SFSA on 19 June 1995, Kommuninvest was granted the status of a joint-stock credit market company. The Company exclusively lends to the members of the Society and to their majority-owned companies, provided that the companies' obligations are guaranteed by their owners. Membership in the Society is voluntary. Each member has to sign a joint and several guarantee covering Kommuninvest's commitments (for further information regarding the guarantee, see "*Ownership and Guarantee*" below).

The Group is organised according to the following structure:

Kommuninvest operates from the head office in Örebro and does not have any branch offices or any significant subsidiaries, apart from renting minor office space in Stockholm. Kommuninvest Fastighets Aktiebolag, which is a real estate company, is part of the Group and its main purpose is to own and manage the premises in which the Company carries out its business. Kommuninvest holds no shares in associated companies.

Kommuninvest conducts its operations in accordance with the Swedish Companies Act (*Sw: aktiebolagslagen (2005:551)*) and otherwise in accordance with Swedish legislation, and its operations are regulated by the Swedish Banking and Financing Business Act (*Sw: lagen (2004:297) om bank- och finansieringsrörelse*). Kommuninvest is subject to the supervision of the SFSA and is registered with the Swedish Companies Registration Office (*Sw: Bolagsverket*) with company registration number 556281-4409. As an unlisted company, Kommuninvest is not required to comply with the Swedish Corporate Governance Code.

Kommuninvest has its registered office in Örebro. The Company's registered address is:

Kommuninvest i Sverige AB
Box 124
SE-701 42 Örebro
Sweden

The present articles of association of the Company were adopted during April 2019.

Ownership and Guarantee

Membership in the Society is available only to Swedish municipalities and regions. As at the date of this Base Prospectus, 278 municipalities and 14 regions were members of the Society (for a list of members, see "*Members of Kommuninvest Cooperative Society*" below). The 292 members comprise 96 percent of Sweden's 290 municipalities and 70 percent of Sweden's 20 regions. It is expected that the members of the Society will increase over time, and it is expected that the expansion will continue until almost all of Sweden's municipalities and regions are members.

Each member must enter into a joint and several guarantee (the "**Guarantee**") for all present and future liabilities of Kommuninvest as if they were liabilities of their own (*Sw: proprieborgen*). The undertaking is unconditional. Any member who leaves the Society will continue to be liable as a guarantor under the Guarantee in respect of all obligations of Kommuninvest guaranteed by the terms of the Guarantee at the time of such resignation. In addition, a new member which executes the Guarantee will become liable for obligations of Kommuninvest outstanding at the time of such execution as well as any subsequently incurred obligations. Since the establishment of the organisation, no member has left the Society. The Guarantee will be periodically amended to include the municipalities and regions who become members of the Society.

When a municipality or region enters as a member of the Society, it must immediately pay to the Society a certain amount as participation capital. The participation capital is based on a fixed amount multiplied by the number of inhabitants in the municipality or the region. This fixed amount per inhabitant is decided by the Annual General Meeting of the Society.

At the General Meeting held on 16 April 2020 the Annual General Meeting decided to successively, under a period of four years, increase the contribution level from SEK 900 per inhabitant to SEK 1300 per inhabitant for member municipalities and from SEK 180 per inhabitant to SEK 260 per inhabitant for regions.

As at 31 December 2020, share capital amounted to SEK 7,100.0 million. Further, the share capital in Kommuninvest increased by SEK 1,100.0 million (Registration as share capital took place on 5 January 2021), raising the total issued share capital to SEK 8,200.0 million. Kommuninvest is wholly-owned by the Society. It is anticipated that the share capital of Kommuninvest will be increased periodically, reflecting the enlargement of the Society's membership and the increased capital contributions made by the members of the Society.

Purpose

Sweden's municipalities and regions jointly own Kommuninvest with the purpose of securing stable and cost-effective financing. Kommuninvest's financial loans are exclusively accessible to members of the Society and to their majority-owned companies, conditional upon a guarantee by their owners. According to its Articles of Association, Kommuninvest can also lend to certain intermunicipal cooperative societies and to certain municipal and regional foundations and associations, although such lending activities represent a minor part of Kommuninvest's operations. Such lending is conditional upon a separate guarantee from the owner (or majority-owner) of the borrower and upon the owner exercising a controlling influence over the borrower.

Under its Articles of Association, the objectives of Kommuninvest are to be carried out within the scope of Swedish municipal competence, which limits the extent of the Company's permitted business activities. As a general rule, it is not deemed to be within the municipal competence for local governments to pursue market driven profit-making business, which is reserved for individual initiative on the open market (or the Swedish state, should the state by virtue of its sovereignty consider it necessary to intervene). This limitation is also known as a general prohibition against speculative activity and is found in Chapter 2 Section 7 of the Local Government Act (*Sw: kommunallagen (2017:725)*). The limitation underpins the low-risk profile which Kommuninvest has adopted in its processes and procedures. Kommuninvest's primary purpose is not to generate profits for its owners, although it needs to generate positive returns in order to support anticipated growth in membership, increased lending and to be able to meet future capital requirements such as the leverage ratio.

Strategy

Kommuninvest is founded on the idea of voluntary collaboration. The key objectives of Kommuninvest are for all Swedish municipalities and regions to be part of the financial cooperation and for Kommuninvest to be able to meet all of their financing needs. Kommuninvest aims to be the natural choice for Swedish municipalities and regions, offering competitive loans, efficient service and sound advice.

Key developments

Access to liquidity as a monetary policy counterparty to the Swedish Riksbank

In early 2010, Kommuninvest was approved as a monetary policy counterparty to the Swedish Central Bank, Sveriges Riksbank, and it is a full member of the Riksbank's RIX payment system for financial transactions. This is a recognition of Kommuninvest's importance to the financial system and, at the same time, grants Kommuninvest access to the Riksbank's intraday and overnight credits. This strengthens Kommuninvest's position as issuer of securities and improves the Company's management of, and access to, short-term liquidity.

Lending activity

Kommuninvest lends in Swedish kronor and on terms of up to 20 years, but with the possibility to lend with longer terms. Lending involves both loans which can be cancelled and loans with tied-up capital at both fixed and floating interest rates.

The Company's product portfolio consists, among others, of three main loan products:

- *STIBOR until further notice.* Fixed interest rate three months, tied-up capital for three months.
- *3-month STIBOR.* Fixed interest rate three months, tied-up capital.
- *Fixed interest rate.* Fixed interest rate for optional period and tied-up capital.
- Since June 2015, Kommuninvest has also offered its clients an opportunity to finance their green investment projects with the launch of its 'Green Loans' product. Renewable energy, green buildings, energy efficiency, sustainable public transport, waste management, water treatment and other projects with positive environmental and climate impact may be eligible for 'Green Loan' financing. At the end of 2020, the volume of Green Loans granted amounted to SEK 74.7 billion and related to 431 green investment projects in 167 municipalities and regions. The proportion of Green Loans disbursed in relation to total lending was 12 percent.

At the end of 2020, municipalities represented 43 percent of Kommuninvest's aggregate lending. The municipal housing companies' share of lending amounted to 27 percent, and the share of lending to energy companies and other municipally-owned companies represented 27 percent. The lending to regions amounted to 3 percent of Kommuninvest's total lending at the end of 2020. Some of the lending to municipalities relates to borrowing by the municipalities for onward lending to their own companies such as housing companies. At the end of the year, Kommuninvest's lending amounted to SEK 445.8 billion. The year's contracted lending, that is new loans and renewals of existing loans, consisted of 89 percent loans with capital tied up for more than a year and 11 percent loans with capital tied up for one year or less. Loans with capital tied up for one to three years accounted for 26 percent of the total volume. At the end of the year, the average period for which capital was tied up in Kommuninvest's lending portfolio was 2.7 years.

Debt management and other services

For Kommuninvest, assisting customers with effective financial administration requires more than just competitive loans. For this reason, web-based analysis tools and models for effective debt management and financial administration are also offered. Kommuninvest conducts no deposit-taking or active trading operations.

Funding activities

By having a presence in highly liquid financial markets the Company can ensure reliable, cost efficient and sustainable funding for its members. The strategy has proven to work well in both normal and volatile markets.

Most of Kommuninvest's funding takes place in the form of issued bonds (for terms of over one year) and certificates (for terms of less than one year). The Company currently funds itself for terms of between one day and 10 years and occasionally for terms up to 30 years. The focus is on financial instruments with fixed interest rates.

The Company's funding strategy is based on three strategic funding markets, the USD, EUR and SEK. The Japanese Uridashi market is considered a tactical market which deliver favorable funding terms. It was decided during 2019 to include the Euro as a strategic funding market going forward. The Company retains the ability to access other, not currently utilised, international markets if needed. Since 2012 Kommuninvest has been able to access the U.S. capital markets, placing Notes issued under its Euro Medium Term Note Programme with professional investors pursuant to Rule 144A in both benchmark size and via private placement. In 2010, Kommuninvest launched a benchmark programme for Swedish local government bonds, establishing a new asset category in the Swedish fixed-income market. Kommuninvest has issued Green Bonds on thirteen occasions since 2016, all Green Bonds have been issued under the Euro Medium Term Note Programme.

Kommuninvest's largest funding programmes include:

- Swedish benchmark bond programme, an unlimited medium-term bond programme for terms between one to ten years;
- Euro Medium Term Note Programme, an unlimited medium-term bond programme for terms up to 30 years;
- Euro-Commercial Paper Programme, a EUR 10 billion short-term borrowing programme for terms of between one and 364 days;
- Domestic Commercial Paper Program, a SEK 50 billion short-term borrowing programme aimed at the Swedish market; and
- Japanese Shelf Registrations, a medium-term bond programme.

Competition

The relevant market for Kommuninvest's activities is the Swedish local government financing market. At the end of 2020, the total external borrowing of the municipalities and regions, including their municipally owned corporations, amounted to approximately 16 percent of Sweden's GDP. Each municipality or region determines itself how it wants to finance its operations and has access to three principal forms of financing: borrowing through Kommuninvest, borrowing through the banking sector or other bilateral parties and direct borrowing on the capital markets.

In the market for local government financing, Kommuninvest is the largest individual lender and, at the end of 2020, accounted for 58 percent of the local government sector's financing. The acceptance rate for funding proposals submitted by Kommuninvest during 2020 was 98 percent. None of the borrowers are obliged to use Kommuninvest's services. Kommuninvest always recommends that its borrowers borrow from the lender offering the most efficient solution after all direct and indirect borrowing costs, as well as the risks associated with the loan, are taken into account.

The local government sector's direct borrowing on the fixed-income market is accomplished by means of proprietary bond and commercial paper programmes. In 2020, the outstanding volume amounted to approximately 29 percent of overall local government funding needs.

For several years, the market for local government financing has been undergoing change, driven in part by new regulations affecting financial companies, primarily attributable to the new regulations regarding capital and liquidity requirements. This trend has contributed to Kommuninvest gradually increasing its share of local government financing while the commercial banks' lending to the sector has decreased.

Ratings

Kommuninvest's creditworthiness is monitored by Moody's and S&P. Moody's credit rating for the Company's long-term liabilities has been Aaa since 2002 and S&P's credit rating has been AAA since 2006. This is the highest credit rating from both Moody's and S&P. Both Moody's and S&P confirmed Kommuninvest's ratings during 2020. A credit rating does not constitute a recommendation to buy, sell or hold securities and may be revised or withdrawn by the credit rating agency at any time.

Employees

Kommuninvest had approximately 100 employees during 2020.

Risk Management

Organisation and responsibilities

The Board of Directors of the Company bears overall responsibility for risk exposure and risk management and decides on the Company's risk strategy and instructions for its finance operations. The Board decides on principal objectives and responsibilities for good internal control and management of operational risks, capital coverage and the liquidity reserve as well as the orientation, risk appetites and limits for Kommuninvest's exposure to credit related counterparty and market risks.

Kommuninvest's risk and control function reviews the risks in operations to assess the scope of the capital requirements to be addressed by internal capital evaluation. The risk control function coordinates and bears the overall responsibility for the Company's aggregate risks and reports daily to the CEO and monthly to the Board. The function is responsible for checking and implementing ongoing follow-up and analysis of financial risks arising in the business contracts into which the Company enters with other counterparties. Kommuninvest's internal auditor is responsible for monitoring how the Company applies internal instructions, process descriptions and steering documents. The internal auditor also reviews and evaluates that those instructions, descriptions and documents are in accordance with prevailing requirements from the SFSA. Kommuninvest's Head of Compliance is responsible for overseeing and managing regulatory compliance issues within the Company. For additional information regarding compliance and audit, see "*Internal governance, compliance and internal audit at Kommuninvest*" below.

Committees

The Credit Group provides support in the assessment of new members and limit adjustments for investment and new counterparties before decisions are made by the CEO. The Credit Group is also responsible for monitoring development of the counterparties and financial instruments applied in the Company's financial operations.

The Asset Liability Committee ("**ALCO**") prepares market risk and liquidity risk management related matters for decisions by the CEO and the Board of Directors of Kommuninvest. ALCO also provides support in the assessment of risk limits and methods for risk measurement related to market risk and liquidity risk.

The Risk Compliance Control Committee documents the work of the Company's control functions and prepares reports to the Executive Management Team and the Board of Directors.

Management of main risks

In the course of its business activities, Kommuninvest is exposed to a variety of risks, the most significant of which are credit and counterparty risk, market risk, liquidity risk and operational risk. These risks may have adverse impacts on the Company's financial position, future prospects or opportunities to reach its targets. Kommuninvest's risk management is designed to meet its owners' requirement that the level of risk in the operations be kept as low as possible. The Company achieves this by prudent risk management processes and instructions, which have been formulated in order to ensure systematic and secure risk management.

To a large extent, matching is carried out between assets (loans and investments) and liabilities (funding and equity) operations. Derivative contracts are used as risk management instruments to limit the impacts of currency fluctuations, changes in fair value of investments and the impact of interest rate, liquidity and credit spread changes that may arise. The scale of the liquidity reserve is governed by the principle that a sufficient volume shall be maintained to meet the Company's liquidity needs even during periods of substantial unease in the financial markets. The Company's liquidity reserve is comprised of assets of good credit quality that are easily traded or redeemed. Investments may only be made in liquid interest-bearing securities and bank balances with senior status in the event of insolvency. A key component in the work to minimise credit and counterparty risks involves continuously analysing and monitoring development among Kommuninvest's borrowers and counterparties in financial transactions.

Kommuninvest exclusively lends to the Swedish local government sector, which has the independent right to levy taxes and is classified as zero risk-weighted from a capital adequacy perspective. Each municipality or region is screened before being approved as a member of the Society. Members' progress is subsequently analysed biannually, based on a pre-determined model. Each year, as part of the review process, the Board of Directors sets credit limits for the members. The credit limits are universal and are set on the basis of each member's consolidated borrowing. Individual members may have differentiated credit limits, following specific scrutiny. Increased loan limits normally derive from the borrower holding assets with hidden surplus values, such as energy or property assets. Decreased loan limits derive from members' abilities to cope with increased debt being judged as limited.

For additional information regarding the Company's risk management, see "*Risk Factors*" above.

Corporate Governance of the Group

Kommuninvest has active and committed owners which provide strong support for excellent governance and control. Board work is conducted in part by the Board of Directors of the owner association, the Society, and, in part by the Board of Directors of Kommuninvest, the Company.

The Company's shares are not listed and the Company is not bound by the Swedish Code of Corporate Governance. The specific nature of the Company's business is deemed to be such that neither the Code, nor the principles of corporate governance for companies owned by municipalities and regions, prepared by the local government sector, should be applied on a voluntary basis.

The regulations that the Company must primarily apply with regard to corporate governance are the Swedish Companies Act and the Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL). The Companies Act includes basic regulations regarding the organisation of companies. These include the requirement for a Board of Directors appointed by an Annual General Meeting. In turn, the Board of Directors appoints a Chairman, who is to lead the work of the Board of Directors, and a President, who is responsible for ongoing management in accordance with the Board's guidelines and instructions. The Annual General Meeting also appoints an auditor to audit the accounts and monitor the administration of the Board and the CEO. As a credit market company, the Company must adhere to the Banking and Financing Business Act and the general advice and regulations issued by the SFSA and its equivalents within the European Union, the European Supervisory Authorities.

Relationship between the Society and the Company

The Annual General Meeting of the Society is the Group's highest decision-making body. The meeting, and the member consultations that precede it, are the natural forums through which the owners exercise their influence (for further information on such consultations see "*Member consultations*" below). The Annual General Meeting of Kommuninvest is held immediately following the Annual General Meeting of the Society.

The main principle is that the Board of Directors of the Society deals with membership matters, while the Board of Directors of the Company deals with matters involving the financial operations. This means that

new members, the potential withdrawal of members, the possible exclusion from membership, guarantee issues, etc. are dealt with by the Board of Directors of the Society. The Board of Directors of the Company deals with financing matters and credit issues (such as limits and analyses), as well as other operational matters. The connection between the two boards is strong, since certain matters concern both the Board of Directors of the Society and that of the Company. However, the Board of Directors of the Society, which represents the owners, has no right of control over the Board of Directors of the Company. The Society's control of the Board of Directors of the Company may only be exercised by means of resolutions by the Annual General Meeting of the Society or by owner directives, which are adopted annually by the Annual General Meeting of the Society.

The Board of Directors of the Society monitors operations, checking that they are conducted within the parameters of the owner directives. The owner directives set out the framework of the operations assigned to the Board of Directors of Kommuninvest by the Society. The Board of Directors of Kommuninvest acquires its mandate from these directives and is responsible for ongoing operations. The owner directives primarily include guidelines regarding lending, consolidation targets, liquidity requirements, risk levels, remuneration principles, principles for business travel and representation, expertise on funding matters, development of products and services and for any special assignments set for the Company by the Society.

Analysis and Finance Committee of the Society

The members of the Analysis and Finance Committee are appointed by the Board of Directors of the Society. The committee is responsible for monitoring the financial status of the member municipalities and the development of the local government sector as a whole. It also has the task of processing new member applications for the Board of Directors of the Society. In contrast to other committees of the Society, it is made up of senior officials from member municipalities and regions, as the tasks call for extensive specialised economic expertise. The committee's brief further state that it shall represent different geographical parts of Sweden, have experience of different types of municipalities and have knowledge of operations in the form of a public enterprise.

Member consultations

To stimulate owner influence and dialogue between representatives of the owner association, the Society and representatives of the Company, Kommuninvest conducts annual member consultations at which current issues are discussed in a smaller forum. Member consultations represent important forums for the preparation of matters for resolution by the Annual General Meeting of the Society and are conducted with elected politicians. In 2021, member consultations were held online at nine different times, where 456 politicians and officials from member local government authorities took part.

Internal governance, compliance and internal audit at Kommuninvest

The Board of Directors of Kommuninvest bears the overall responsibility for operations and for internal governance and control of the Company. The Board of Directors has adopted an internal governance and control policy and each year sets objectives and strategies for operations and adopts plans for internal governance and control.

Responsibility for maintaining an effective control environment and for ongoing internal control processes is delegated to the President and CEO. This includes providing guidelines for and implementing internal governance and control, following up on adherence with policies and other guidelines in the area and drawing up a proposed operations plan, a budget and annual and interim accounts. The President and CEO is responsible for providing the Board of Directors with necessary information and decision support data, including prior to the Board meetings, reporting the financial position to the Board and ensuring that the Board receives a written report each month.

Compliance

Kommuninvest's compliance function is an independent control and support function that manages compliance risk based on the annual compliance plan, which is set based on analyses of the Group's compliance risks and is decided by the President and CEO. The compliance team controls, monitors and reports the Company's compliance with internal and external rules. Tasks also include developing and updating internal rules, monitoring and controlling regulatory compliance within the licensed operations, training and educating on new or changed legal frameworks and maintaining contact with supervisory authorities. The function acts as a guiding and supporting function to the Board of Directors, the President and CEO, the Executive Management Team and for operations. The Chief Compliance Officer is appointed by the President and CEO, and reports to the Board of Directors, the President and CEO and the Executive Management Team on an ongoing basis.

Internal Audit

The current internal audit function is fulfilled by PwC AB who reports directly to the Board of Directors. Certified internal auditor and authorised public accountant Peter Nilsson is the internal auditor in charge as at the date of this Base Prospectus. The internal audit is an independent and impartial review unit. The internal audit function is responsible for evaluating risk management, control and governance processes within Kommuninvest and for ensuring that operations are conducted in accordance with the intentions of the Board of Directors and the President and CEO. The internal audit reports to the Board of Directors, the President and CEO on an ongoing basis. The external auditors read the reporting from the internal audit and evaluate the impact on the external audit. Each year, the Board of Directors establishes a plan for the work to be carried out by the internal audit. The President and CEO reports to the Board of Directors on measures implemented as a consequence of the internal audit unit's reports.

External Audit

The current external auditors of Kommuninvest are KPMG AB, with authorised public accountant and member of FAR (the professional institute for public accountants in Sweden), Anders Tagde, as auditor in charge.

Board of Directors and Managing Directors of Kommuninvest

In accordance with its Articles of Association, the Board of Directors of Kommuninvest shall comprise not fewer than five and not more than nine Directors.

Board of Directors

Board Members are elected annually at the Annual General Meeting and serve until the close of the next Annual General Meeting.

Set out below are brief biographies of the members of the Board of Directors.

ELLEN BRAMNESS ARVIDSSON – *Chairman*

Current assignments: Executive Director, Strategy and International Affairs, Finance Norway.

Elected: Chairman since 2013. Vice Chairman from 2006 to 2013. Member since 2003.

Education: Candidata oeconomiae., Oslo University. Diploma in financial analysis, Stockholm School of Economics and FAF.

Previous positions: Chief Economist, Insurance Sweden. Under Secretary and First Secretary at the Ministry of Finance.

Other assignments: Chairman of the Board, Norske Finansielle Referanser AS.

MATS FILIPSSON – *Board member*

Current assignments: Consultant.

Elected: Member since 2021.

Education: Degree of Bachelor of Business in Administration and Economics, Stockholm University.

Previous positions: Debt Manager Swedish National Debt Office, Under Secretary Ministry of Finance, Technical Assistance Advisor International Monetary Fund, Chief Risk Officer Swedish National Debt Office, Senior Financial Officer World Bank.

Other assignments: Board Member Olle Enkvist Foundation.

ERIK LANGBY – *Board Member*

Current assignments: Consultant.

Elected: Member since 2015.

Education: Individual courses, Stockholm University.

Previous positions: Chairman of the Municipal Executive Board and Municipal Commissioner, Nacka. Chairman, Association of Local Government Authorities in Stockholm County. Board Member, SALAR. Chairman, Regional Planning Board in Stockholm County Council. Board Member, Hegeli Public Affairs AB, Chairman, Healthcare and Welfare Committee of Norrtälje. Board Member, HSB Omsorg AB. Chairman, Texab AB. Chairman, AB Solom. Board Member, Dagens Samhälle AB. Chairman, Structural Partnership of Stockholm.

Other assignments: Board member of SKL International AB, Board Member, Atrium Ljungberg AB. Chairman, NackaStrandsMässan AB, SigtunaHem, Bostadsrätterna i Sverige Ekonomisk Förening, Municipal Council of Sigtuna Municipality and Tegelhatt AB, respectively.

LARS HEIKENSTEN – *Board member*

Current assignments: Chairman Swedish Fiscal Policy Council.

Elected: Member since 2016.

Education: PhD Economics, Stockholm School of Economics. Honorary Doctor Umeå University and Gustavus Adolphus College (USA).

Previous positions: Executive Director, The Nobel Foundation, Member, European Court of Auditors. Governor, Central Bank of Sweden. Board Member, Bank of International Settlement (BIS) and the General Council of the ECB, respectively. Chief Economist, Handelsbanken. Director General, Ministry of Finance.

Other assignments: Chairman, Trygg-Stiftelsen, Member, Royal Swedish Academy of Science, Member, Royal Swedish Academy of Engineering Sciences.

ANETTE HENRIKSSON – *Board member*

Current assignments: CEO Locum AB, Head of administration at The Property and Service committee.

Elected: Member since 2021.

Education: Bachelor of Science in Public Administration, Lund University.

Previous positions: CEO Lund Municipality, Deputy CEO Akademiska Hus, CFO Halland County Council.

Other assignments: Chairman of Terreno AB.

KRISTINA SUNDIN JONSSON – *Board member*

Current assignments: Chief Executive Officer of Skellefteå Municipality, CEO of Skellefteå Stadshus AB.

Elected: Member since 2018.

Education: Bachelor of Science in Business and Economics, Umeå University.

Previous positions: Certified public accountant, consultant KPMG AB, CFO Skelleftebostäder AB.

Other assignments: Chairman of the Association of Chief Executive Officers for Municipalities in Sweden, Board Member Inera AB, Delegate of the Delegation of gender equality, Västerbotten County. Board member Mistra Carbon, Exit Mistra research program.

CATRINA INGELSTAM – *Board member*

Current assignments: Own consulting business Createme AB, acting CEO Svensk Handel Fondförsäkring AB.

Elected: Member since 2020.

Education: Master of Science in Business and Economics, Stockholm University.

Previous positions: Acting CEO Svensk Handel Fondförsäkring AB. CFO Dina Försäkringar, Internal Audit Manager Folksam Sak, CFO Folksam Group, Head of Product Development/CFO AMF Pension, Head of Administration AMF Fonder, Head of Division Fond/Finance Premium Pension Authority (PPM), Business Manager Equity Trading SkandiaBanken, Authorised Public Accountant EY, Board member (member of the Risk and Audit Committee) Sparbanken Sjuhärad AB, Board member (member of the Risk- and Capital Committee) KPA Pension, several Board assignments in the financial sector.

Other assignments: Chairman (Chairman Sustainability Committee) of the Sixth AP Fund, Board member (Chairman of the Audit Committee) Swedfund International AB, Board member (Chairman of the Audit Committee) Orio AB, Board member (member of the Risk and Audit Committee) Sparbanken Sjuhärad AB, Board member Spiltan Fonder AB. Board member Landstingens Ömsesidiga Försäkringsbolag (LÖF).

MATTIAS BOKENBLOM – *Employee representative*

Elected: Member since 2019.

Education: Licentiate of Economics, Örebro University.

Position at Kommuninvest: Change agent.

Other assignments: Member of the local union.

KRISTIN EKBLAD – *Employee representative*

Elected: Member since 2020.

Education: PhD in Economics, Örebro University

Position at Kommuninvest: Head of Business Analysis

Executive Management

Tomas Werngren, President and CEO
Maria Viimne, Deputy CEO and Chief Operating Officer
Britt Kerkenberg, Chief Risk Officer
Malin Waldenström, Head of Human Resources
Patrick Nimander, Chief Financial Officer
Christofer Ulfgren, Head of IT, Chief Information Officer
Jens Larsson, Chief Legal Officer

Members of Kommuninvest Cooperative Society

As at the date of this Base Prospectus, the following municipalities and regions are members of the Society (figures in brackets show membership number):

Member municipalities

Ale (22)	Habo (117)	Luleå (42)	Skurup (94)
Alingsås (29)	Håbo (159)	Lund (220)	Smedjebacken (30)
Älmhult (232)	Hagfors (191)	Lycksele (82)	Söderhamn (183)
Älvdalen (75)	Hällefors (20)	Lysekil (182)	Söderköping (99)
Alvesta (108)	Hallsberg (6)	Malå (79)	Södertalje (271)
Älvkarleby (229)	Hallstahammar (175)	Malung-Sälen (224)	Sollefteå (168)
Älvsbyn (128)	Halmstad (247)	Mariestad (166)	Sollentuna (284)
Åmål (269)	Hammarö (90)	Mark (104)	Solna (263)
Aneby (242)	Haninge (134)	Markaryd (280)	Sölvesborg (209)
Ånge (141)	Haparanda (163)	Mellerud (97)	Sorsele (249)
Ängelholm (68)	Härjedalen (148)	Mjölby (9)	Sotenäs (119)
Arboga (45)	Härnösand (21)	Mölndal (287)	Staffanstorp (64)
Åre (201)	Härryda (65)	Mönsterås (78)	Stenungsund (199)
Årjäng (226)	Hässleholm (234)	Mora (129)	Storfors (157)
Arjeplog (188)	Heby (132)	Mörbylånga (88)	Storuman (74)
Arvidsjaur (165)	Hedemora (41)	Motala (173)	Strängnäs (200)
Arvika (89)	Herrljunga (l0l)	Mullsjö (151)	Strömstad (106)
Åsele (167)	Hjo (77)	Munkedal (46)	Strömsund (35)
Askersund (18)	Hofors (145)	Munkfors (153)	Sundbyberg (274)
Åstorp (84)	Höganäs (67)	Nässjö (123)	Sunne (76)
Åtvidaberg (215)	Högsby (80)	Nora (19)	Surahammar (171)
Avesta (176)	Höör (254)	Norberg (23)	Svalöv (278)
Båstad (73)	Hörby (231)	Nordanstig (187)	Svedala (59)

Member municipalities

Bengtsfors (83)
Berg (55)
Bjurholm (193)
Bjuv (244)
Boden (121)
Bollebygd (115)
Bollnäs (156)
Borås (267)
Borgholm (253)
Borlänge (34)
Botkyrka (189)
Boxholm (31)
Bräcke (110)
Bromölla (240)
Burlöv (233)
Dals-Ed (227)
Degerfors (17)
Dorotea (186)
Eda (38)
Ekerö (290)
Eksjö (131)
Emmaboda (206)
Enköping (268)
Eskilstuna (194)
Eslöv (150)

Huddinge (158)
Hudiksvall (184)
Hultsfred (87)
Hylte (252)
Järfälla (277)
Jokkmokk (174)
Jönköping (219)
Kalix (109)
Kalmar (197)
Karlsborg (126)
Karlshamn (91)
Karlskoga (15)
Karlskrona (24)
Karlstad (170)
Katrineholm (50)
Kävlinge (285)
Kil (147)
Kinda (124)
Kiruna (180)
Klippan (279)
Knivsta (214)
Köping (120)
Kramfors (162)
Kristianstad (54)

Nordmaling (71)
Norrköping (246)
Norrtälje (261)
Norsjö (144)
Nybro (190)
Nyköping (265)
Nykvarn (204)
Nynäshamn (245)
Ockelbo (32)
Öckerö (237)
Ödeshög (57)
Olofström (235)
Örebro (ll)
Örkelljunga (lll)
Örnsköldsvik (169)
Orsa (58)
Orust (47)
Osby (211)
Oskarshamn (72)
Östhammar (239)
Östra Göinge (225)
Ovanåker (113)
Överkalix (146)
Övertorneå (40)

Svenljunga (217)
Tanum (33)
Tibro (276)
Tidaholm (259)
Tierp (222)
Timrå (213)
Tingsryd (218)
Tjörn (63)
Tomelilla (136)
Töreboda (208)
Torsås (116)
Torsby (81)
Tranås (130)
Tranemo (122)
Trelleborg (138)
Trollhättan (3)
Trosa (177)
Tyresö (258)
Uddevalla (5)
Ulricehamn (221)
Umeå (2)
Upplands Väsby (251)
Upplands-Bro (107)
Uppsala (273)

Member municipalities

Essunga (70)
Fagersta (27)
Falkenberg (48)
Falköping (250)
Falun (43)
Färgelanda (98)
Filipstad (172)
Finspång (181)
Flen (69)
Forshaga (196)
Gagnef (118)
Gällivare (160)
Gävle (1)
Gislaved (266)
Gnesta (195)
Gnosjö (39)
Göteborg (272)
Götene (112)
Gotland (28)
Grästorp (223)
Grums (66)
Gullspång (241)

Kristinehamn (238)
Krokom (164)
Kumla (12)
Kungälv (135)
Kungsbacka (36)
Kungsör (62)
Laholm (102)
Landskrona (44)
Laxå (13)
Lekeberg (öl) (61)
Leksand (105)
Lerum (203)
Lessebo (139)
Lidköping (243)
Lilla Edet (178)
Lindesberg (4)
Linköping (288)
Ljungby (230)
Ljusdal (143)
Ljusnarsberg (14)
Lomma (60)
Ludvika (202)

Oxelösund (133)
Pajala (52)
Partille (282)
Perstorp (264)
Piteå (53)
Ragunda (210)
Rättvik (96)
Robertsfors (127)
Ronneby (248)
Säffle (155)
Sala (236)
Salem (257)
Sandviken (7)
Säter (140)
Sävsjö (93)
Sigtuna (125)
Simrishamn (85)
Sjöbo (198)
Skara (92)
Skellefteå (25)
Skinnskatteberg (179)
Skövde (273)

Uppvidinge (216)
Vadstena (51)
Vaggeryd (212)
Valdemarsvik (37)
Vallentuna (256)
Vänersborg (6)
Vännäs (192)
Vansbro (207)
Vara (255)
Varberg (8)
Vårgårda (56)
Värmdö (260)
Värnamo (270)
Västervik (26)
Vaxholm (228)
Växjö (137)
Vetlanda (100)
Vilhelmina (205)
Vimmerby (86)
Vindeln (95)
Vingåker (152)
Ydre (114)
Ystad (154)

Member Regions

Region Dalarna (262)
Region Gävleborg (103)
Region Jämtland Härjedalen (281)
Region Sörmland (49)
Region Uppsala län (161)
Region Värmland (149)
Region Västmanland (142)
Region Norrbotten (185)
Region Kronoberg (283)
Region Örebro län (10)
Region Västerbotten (286)
Region Blekinge (289)
Region Kalmar Län (291)
Region Västra Götaland (292)

FINANCIAL INFORMATION CONCERNING THE ISSUER

The financial information set out in this Base Prospectus in the tables below is directly derived from and should be read in conjunction with the Issuer's annual report for 2020, audited by KPMG AB. The Kommuninvest Annual Report has been prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (the **ÅRKL**), and the regulations and general recommendations of the SFSA regarding annual accounts for credit institutions and securities companies (FFFS 2008:25) including all applicable amending regulations. Consequently, all International Financial Reporting Standards (IFRS) and interpretations endorsed by the EU are followed as far as possible, within the provisions of the ÅRKL and taking into account the additions and exemptions specified in FFFS 2008:25. The recommendations from the Swedish Financial Reporting Board, Accounting for legal entities (RFR 2) have also been applied.

Capitalisation of the Issuer

The following table sets out the capitalisation of the Issuer as at 31 December 2020 and 31 December 2019 and its shareholders' funds as at 31 December 2020 and 31 December 2019. The table should be read in conjunction with the financial statements referred to elsewhere in this document.

	As at 31 December	
	2019	**2020**
	(in millions of SEK)	
Total debt:		
Liabilities to credit institutions	4,027.7	947.0
Securities issued	446,763.0	498,305.9
Derivatives	3,484.5	18,977.6
Change in value of interest-hedged item in portfolio hedging	0.7	-
Other liabilities	9,400.6	382.3
Accrued expenses and prepaid revenues	42.1	46.6
Provisions	0.1	0.0
Total liabilities and provisions	**463,718.7**	**518,659.4**
Shareholders funds		
Share capital	7,100.0	7,100.0
New share issue in progress	-	1,100.0
Development expenditure reserve	21.1	30.4
Statutory reserve	17.5	17.5
Fair value reserve	-	-
Profit or loss brought forward	155.5	276.6
Net profit	307.9	179.7
Total Equity	**7,602.0**	**8,704.2**
Total Capitalisation	**471,320.7**	**527,363.6**

KOMMUNINVEST I SVERIGE AB (PUBL)

Balance Sheet

	As at 31 December	
	2019	**2020**
	(in millions of SEK)	
ASSETS		
Cash and balances with central banks	811.1	18,931.2
Sovereign bonds eligible as collateral	17,686.3	28,035.2
Lending to credit institutions	21,917.2	1,669.6
Lending	408,218.1	445,788.8
Change in value of interest-hedged item in portfolio hedging	-	33.9
Bonds and other interest-bearing securities	7,722.6	13,822.9
Shares and participations in subsidiaries	42.0	42.0
Derivatives	11.967.0	2,429.4
Intangible assets	21.4	30.7
Tangible assets	7.1	6.8
Current tax assets	79.0	79.0
Other assets	2,828.9	16,474.5
Prepaid expenses and accrued revenues	20.0	19.6
TOTAL ASSETS	**471,320.7**	**527,363.6**
LIABILITIES, PROVISIONS AND EQUITY		
Liabilities to credit institutions	4,027.7	947.0
Securities issued	446,763.0	498,305.9
Derivatives	3,484.5	18,977.6
Change in value of interest-hedged item in portfolio hedging	0.7	-
Other liabilities	9,400.6	382.3
Accrued expenses and prepaid revenues	42.1	46.6
Provisions	0.1	0.0
Total liabilities and provisions	**463,718.7**	**518,659.4**
Share capital	7,100.0	7,100.0
New share issue in progress	-	1,100.0
Development expenditure reserve	21.1	30.4
Statutory reserve	17.5	17.5
Fair value reserve	-	-
Profit (or loss) brought forward	155.5	276.6
Net profit	307.9	179.7
Total equity	**7,602.0**	**8,704.2**
TOTAL LIABILITIES, PROVISIONS AND EQUITY	**471,320.7**	**527,363.6**

Income Statement

	Year ended 31 December	
	2019	**2020**
	(in millions of SEK)	
Interest revenues	1,223.5	1,743.1
Interest expenses	(396.0)	(1,031.8)
NET INTEREST INCOME	**827.5**	**711.3**
Dividends received	2.4	1.9
Commission expenses	(11.3)	(12.7)
Net result of financial transactions	(201.5)	(247.7)
Other operating income	9.3	11.6
TOTAL OPERATING INCOME	**626.4**	**464.4**
General administration expenses	(236.2)	(240.2)
Depreciation and impairment of intangible assets	(4.4)	(1.1
Depreciation and impairment of tangible assets	(2.3)	(2.3)
Other operating expenses	(4.0)	(3.9)
TOTAL EXPENSES	**(246.9)**	**(247.5)**
PROFIT BEFORE CREDIT LOSSES	**379.5**	**216.9**
Net credit losses	12.6	11.1
OPERATING PROFIT	**392.1**	**228.0**
Tax	(84.2)	(48.3)
NET PROFIT	**307.9**	**179.7**

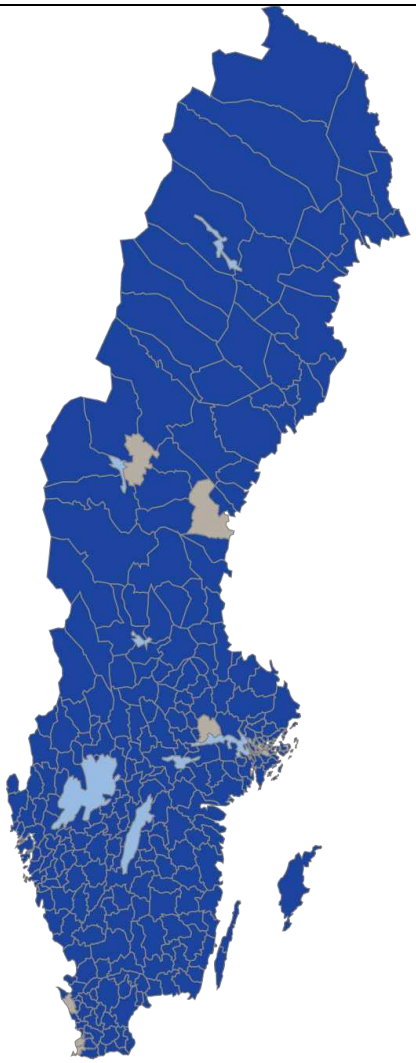
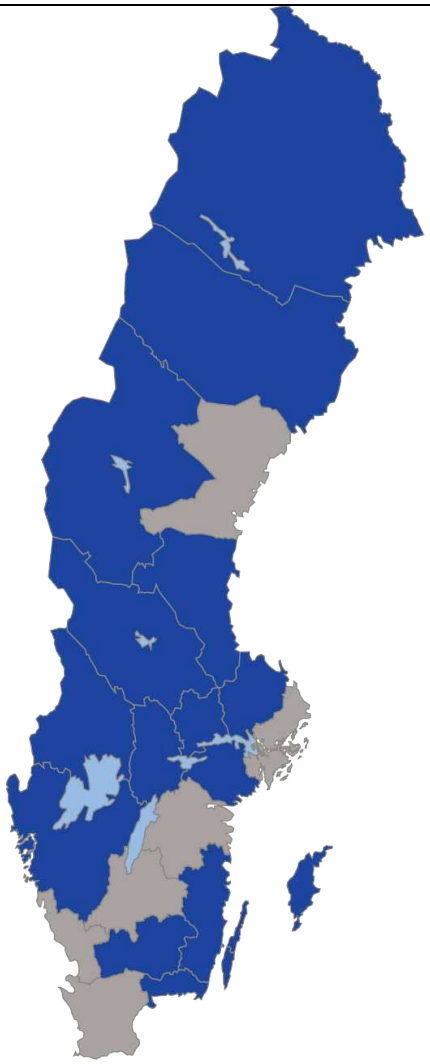
Cash Flow Statement

	Year ended 31 December	
	2019	2020
	(in millions of SEK)	
Cash and cash equivalents at the start of the year	**1,844.1**	**22,728.7**
Operational activities		
Operating profit	392.1	228.0
Adjustment for items not included in cash flow	188.4	238.1
Income tax paid	-	-
Change in liquidity portfolio	21,349.0	(16,442.1)
Change in lending	(52,528.7)	(36,313.8)
Change in other assets	(1,363.4)	(13,645.1)
Change in other liabilities	3,427.4	(7,893.7)
Cash flow from operational activities	**(28,535.2)**	**(73,828.6)**
Investment activities		
Acquisition of intangible assets	(10.1)	(10.3)
Acquisition of tangible assets	(4.5)	(2.0)
Divestments of tangible assets	0.2	-
Cash flow from investment activities	**(14.4)**	**(12.3)**
Financing activities		
Issue of interest-bearing securities	182,226.2	201,396.9
Redemption and repurchases of interest-bearing securities	(132,155.6)	(129,437.1)
New share issue	-	1,100.0
Change in intra-Group liabilities	(636.4)	(1,345.9)
Cash flow from financing activities	**49,434.2**	**71,713.9**
Cash flow for the year	**20,884.6**	**(2,127.0)**
Cash and cash equivalents at the end of the year	**22,728.7**	**20,601.7**

(1) Cash and cash equivalents consist in their entirety of loans to credit institutions with a maturity of at most three months at the time of acquisition and that are exposed to insignificant risk of fluctuations in value.

MAP OF SWEDEN

Members of the Society as at the date of this Base Prospectus.

Municipalities	**Regions**
	

At the date of this Base Prospectus, 278 municipalities and 14 regions were members of the Society.

THE SWEDISH LOCAL GOVERNMENT SECTOR

Sweden has three levels of government: national, regional and local. The Swedish parliament, the Riksdag, is the supreme political decision-making body. On the regional and local level, Sweden is divided into 20 regions and 290 municipalities. There is no hierarchical relation between municipalities and regions, since they are self-governing local authorities with responsibility for different activities.

Regions are mainly responsible for providing healthcare and supporting regional growth and development, public transport and cultural development. Municipalities are responsible for all types of public service related to the inhabitants and their immediate environment, excluding most healthcare services.

Municipalities and regions have considerable autonomy and independent powers of taxation. Local self-government and the right to levy taxes form part of the Swedish Constitution. The right for municipalities and regions to levy taxes was established in the local government ordinances of 1862. Taxes are levied as a percentage of inhabitants' income and local governments set their own tax rates.

General elections are held every four years, in which Swedes vote for political party representation in the municipal assembly, the region assembly and the parliament. There is a long tradition of consensus at local and regional levels and it is common for parties to cooperate and form majorities across party political boundaries.

A number of features contribute to sustaining sound finances in the local government sector:

Balanced budget requirement

Every year, local and regional governments must adopt a balanced budget and a financial plan for the next three years. If the local or regional government decides to introduce new expenditures during the current budget year, the decision must also contain details of how the expenditure is to be funded. If a deficit is reported for a particular financial year, the general rule is that the local or regional government, after looking into the balance requirement, must adopt an action plan for restoring the deficit in no more than three years. The principles of good economic management and the balanced budget requirement apply to all individual entities of the sub-national government sector.

System for financial equalisation

To ensure that all local governments, irrespective of tax base and structural conditions, have equal conditions for providing services, Sweden has a system of balancing incomes and costs known as local government financial equalisation. In principle, the system comprises an income equalisation scheme and a cost equalisation scheme. Income equalisation evens out differences in the tax base and is primarily state-funded. Cost equalisation evens out differences in structural costs and does not affect state finances. Local governments with an unfavourable cost structure are paid a cost equalisation grant, while those with a favourable structure pay a charge.

The Swedish State supports financial stability in local government

The Swedish State has the ultimate responsibility for ensuring that public services as a whole develop in balance. The State therefore closely monitors local governments' financial development and has access to a number of supportive instruments in times of short-term difficulties due to special circumstances.

Another important feature in the relation between the State and local governments is 'the local government financing principle'. This principle holds that if the State decides on measures that directly affect the activities of the local governments, the financial effects of that decision should be neutralised by altering the level of the state grant. This principle has been approved by the Riksdag.

U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax considerations relevant to U.S. Holders (as defined below) acquiring, holding and disposing of Notes. This summary addresses only the U.S. federal income tax considerations for initial purchasers of Notes at their issue price (as defined below), or in the case of a further issuance at the further issuance price, that will hold the Notes as capital assets (generally, property held for investment). This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the **Code**), final, temporary and proposed U.S. Treasury regulations, administrative and judicial interpretations, all of which are subject to change, possibly with retroactive effect.

This summary does not address the material U.S. federal income tax consequences of every type of Note which may be issued under the Programme, and the relevant Final Terms may contain additional or modified disclosure concerning the material U.S. federal income tax consequences relevant to such type of Note as appropriate. This summary does not discuss all aspects of U.S. federal income taxation that may be relevant to investors in light of their particular circumstances, such as investors subject to special tax rules (including, without limitation: (i) financial institutions; (ii) insurance companies; (iii) dealers or traders in stocks, securities, or currencies or notional principal contracts; (iv) regulated investment companies; (v) real estate investment trusts; (vi) tax-exempt organisations; (vii) partnerships, pass-through entities, or persons that hold Notes through pass-through entities; (viii) investors that hold Notes as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes; (ix) investors that have a functional currency other than the U.S. Dollar; (x) U.S. expatriates and former long-term residents of the United States) and (xi) investors required for U.S. federal income tax purposes to accelerate the recognition of any item of gross income with respect to the Notes as a result of such income being recognised on an applicable financial statement, all of whom may be subject to tax rules that differ significantly from those summarised below. This summary does not address U.S. federal estate, gift or alternative minimum tax considerations, or non-U.S., state or local tax considerations. This discussion applies only to holders of Registered Notes. Bearer Notes are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Note may be subject to limitations under U.S. federal income tax laws, including the limitations provided in Section 165(j) and 1287 of the Code. Moreover, the summary deals only with Notes with a term of 30 years or less. The U.S. federal income tax consequences of owning Notes with a longer term may be discussed in the applicable Final Terms.

For the purposes of this summary, a **U.S. Holder** is a beneficial owner of Notes that is for U.S. federal income tax purposes (i) an individual who is a citizen or resident of the United States, (ii) a corporation created in, or organised under the laws of, the United States or any state thereof, including the District of Columbia, (iii) an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source or (iv) a trust that is subject to U.S. tax on its worldwide income regardless of its source.

This summary should be read in conjunction with any discussion of U.S. federal income tax consequences in the applicable Final Terms. To the extent there is any inconsistency in the discussion of U.S. tax consequences to holders between this Base Prospectus and the applicable Final Terms, holders should rely on the tax consequences described in the applicable Final Terms instead of this Base Prospectus. The Issuer generally intends to treat Notes issued under the Programme as debt, unless otherwise indicated in the applicable Final Terms. Certain Notes, however, such as certain Index Linked Notes, Fund Linked Notes or Notes with extremely long maturities, may be treated as equity for U.S. federal income tax purposes. The tax treatment of Notes to which a treatment other than as debt may apply may be discussed in the applicable Final Terms. The following disclosure applies only to Notes that are treated as debt for U.S. federal income tax purposes.

Payments of Interest

General

Interest on a Note, including the payment of any additional amounts whether payable in U.S. Dollars or a currency other than U.S. Dollars (a **foreign currency**), other than interest on a "Discount Note" that is not "qualified stated interest" (each as defined below under "*Original Issue Discount — General*"), will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, in accordance with the holder's method of accounting for tax purposes. Interest paid by the Issuer on the Notes and OID (as defined below), if any, accrued with respect to the Notes (as described below under "*Original Issue Discount*") and payments of any additional amounts will generally constitute income from sources outside the United States.

Foreign Currency Denominated Interest

If a qualified stated interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognised by a cash basis U.S. Holder will be the U.S. Dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. Dollars.

An accrual basis U.S. Holder may determine the amount of income recognised with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, with respect to an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year).

Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year. Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. Dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the U.S. Internal Revenue Service (**IRS**).

Upon receipt of the interest payment (including a payment attributable to accrued but unpaid interest upon the sale or other disposition of a Note) denominated in, or determined by reference to, a foreign currency, the U.S. Holder will recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference, if any, between the amount received (translated into U.S. Dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. Dollars.

Original Issue Discount

General

The following is a summary of the principal U.S. federal income tax consequences of the ownership of Notes issued with original issue discount (**OID**). The following summary does not discuss Notes that are characterized as contingent payment debt instruments for U.S. federal income tax purposes. In the event that the Issuer issues contingent payment debt instruments, the applicable Final Terms may describe the material U.S. federal income tax consequences thereof.

A Note, other than a Note with a term of one year or less (a **Short-Term Note**), will be treated as issued with OID (a **Discount Note**) if the excess of the Note's "stated redemption price at maturity" over its issue price is at least a *de minimis* amount (0.25% of the Note's stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an **instalment obligation**) will be treated as a Discount Note if the excess of the Note's stated redemption price at maturity over its issue price is equal to or greater than 0.25%

of the Note's stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note's weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note's stated redemption price at maturity. Generally, the **issue price** of a Note under the applicable Final Terms will be the first price at which a substantial amount of such Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers. The **stated redemption price at maturity** of a Note is the total of all payments provided by the Note that are not payments of "qualified stated interest". A **qualified stated interest** payment is generally any one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate (in the circumstances described below under "*Variable Interest Rate Notes*"), applied to the outstanding principal amount of the Note. Solely for the purpose of determining whether a Note has OID, the Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note. If a Note has *de minimis* OID, a U.S. Holder must include the *de minimis* amount in income as stated principal payments are made on the Note, unless the holder makes the election described below under "*—Election to Treat All Interest as Original Issue Discount*". A U.S. Holder can determine the includible amount with respect to each such payment by multiplying the total amount of the Note's *de minimis* OID by a fraction equal to the amount of the principal payment made divided by the stated principal amount of the Note.

U.S. Holders of Discount Notes must generally include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and will generally have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note (**accrued OID**). The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Discount Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note's adjusted issue price at the beginning of the accrual period and the Discount Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Discount Note allocable to the accrual period. The **adjusted issue price** of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

Election to Treat All Interest as Original Issue Discount

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under "*Original Issue Discount — General*" with certain modifications. For purposes of this election, interest includes stated interest, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortizable bond premium (described below under "*Notes Purchased at a Premium*"). If a U.S. Holder makes this election for the Note, then, when the constant-yield method is applied, the issue price of the Note will equal its cost, the issue date of the Note will be the date of acquisition, and no payments on the Note will be treated as payments of qualified stated interest. This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. However, if the Note has amortizable bond premium, the U.S. Holder will be deemed to have made an election to apply amortizable bond premium against interest for all

debt instruments with amortizable bond premium, other than debt instruments the interest on which is excludible from gross income, held as of the beginning of the taxable year to which the election applies or any taxable year thereafter.

Additionally, if a U.S. Holder makes a constant yield election with respect to a Note with market discount (discussed below), the U.S. Holder will be treated as having made an election to include market discount in income currently over the life of all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which such election applies. U.S. Holders should consult their tax advisers about making this election in light of their particular circumstances.

Variable Interest Rate Notes

Notes that provide for interest at variable rates (**Variable Interest Rate Notes**) will generally bear interest at a "qualified floating rate" and thus will be treated as "variable rate debt instruments" under U.S. Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a "variable rate debt instrument" if (a) its issue price does not exceed the total non-contingent principal payments due under the Variable Interest Rate Note by more than a specified *de minimis* amount and (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate.

A **qualified floating rate** is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (*e.g.*, two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note's issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (*i.e.*, a cap) or a minimum numerical limitation (*i.e.*, a floor) may, under certain circumstances, fail to be treated as a qualified floating rate unless the cap or floor is fixed throughout the term of the Note.

An **objective rate** is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (*e.g.*, one or more qualified floating rates or the yield of actively traded personal property). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note's term. A rate also will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or the control of a related party) or that is unique to the circumstances of the Issuer (or the circumstances of a related party), such as dividends, profits or the value of the Issuer's stock (although a rate does not fail to be an objective rate merely because it is based on the Issuer's credit quality).

A **qualified inverse floating rate** is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note's issue date is intended to approximate the fixed rate (*e.g.*, the value of the variable rate on

the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a "current value" of that rate. A **current value** of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a "variable rate debt instrument", then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a "variable rate debt instrument" will generally not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a "true" discount (*i.e.*, at a price below the Note's stated principal amount) in excess of a specified *de minimis* amount. OID on a Variable Interest Rate Note arising from "true" discount is allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a "variable rate debt instrument" will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an "equivalent" fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a "variable rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the "equivalent" fixed rate debt instrument by applying the general OID rules to the "equivalent" fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the "equivalent" fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the "equivalent" fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a "variable rate debt instrument", then the Variable Interest Rate Note will be treated as a contingent payment debt obligation. The proper U.S. federal income tax treatment of Variable Interest Rate Notes that are treated as contingent payment debt may be more fully described in the applicable Final Terms.

Short-Term Notes

In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID (calculated as set forth below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realized on the sale or other disposition of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or other disposition. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realized.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note's stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Note. This election shall apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

Foreign Currency Notes

OID for any accrual period on a Note that is denominated in, or determined by reference to, a foreign currency other than the U.S. Dollar (**foreign currency Notes**) will be determined in the foreign currency and then translated into U.S. Dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above under "*Payments of Interest*". Upon receipt of an amount attributable to OID (whether in connection with a payment of interest or the sale or other disposition of a Note), a U.S. Holder will generally recognize exchange gain or loss, which will be ordinary gain or loss measured by the difference between the amount received (translated into U.S. Dollars at the exchange rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. Dollars.

Market Discount

If a U.S. Holder purchases a Note (other than a Short-Term Note) for an amount that is less than its stated redemption price at maturity or, in the case of a Discount Note, its adjusted issue price, the amount of the difference will be treated as market discount for U.S. federal income tax purposes, unless this difference is less than a specified *de minimis* amount.

A U.S. Holder will be required to treat any principal payment (or, in the case of a Discount Note, any payment that does not constitute qualified stated interest) on, or any gain on the sale, exchange, retirement or other disposition of a Note, including disposition in certain nonrecognition transactions, as ordinary income to the extent of the market discount accrued on the Note at the time of the payment or disposition unless this market discount has been previously included in income by the U.S. Holder pursuant to an election by the Holder to include market discount in income as it accrues. An election to include market discount in income as it accrues applies to all debt instruments with market discount acquired by the electing U.S. Holder on or

after the first day of the first taxable year to which such election applies and may not be revoked without the consent of the IRS. In addition, a U.S. Holder that does not elect to include market discount in income currently may be required to defer, until the maturity of the Note or its earlier disposition (including certain nontaxable transactions), the deduction of all or a portion of the interest expense on any indebtedness incurred or maintained to purchase or carry such Note.

Market discount will accrue on a straight line basis unless a U.S. Holder makes an election on a Note to accrue on the basis of a constant interest rate. This election is irrevocable once made.

Notes Purchased at a Premium

A U.S. Holder that purchases a Note for an amount in excess of its principal amount may elect to treat the excess as "amortizable bond premium", in which case the amount required to be included in the U.S. Holder's income each year with respect to interest on the Note will be reduced by the amount of amortizable bond premium allocable (based on the Note's yield to maturity) to that year. In the case of a Note that is denominated in, or determined by reference to, a foreign currency, bond premium will be computed in units of foreign currency, and any such bond premium that is taken into account currently will reduce interest income in units of the foreign currency. On the date bond premium offsets interest income, a U.S. Holder will generally recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) measured by the difference between the spot rate in effect on that date, and on the date the Notes were acquired by the U.S. Holder. Any election to amortize bond premium shall apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also "*Original Issue Discount – Election to Treat All Interest as Original Issue Discount*". A U.S. Holder that does not elect to take bond premium into account currently will recognize a capital loss when the Note matures.

A U.S. Holder who purchases a Note for an amount that is greater than the Note's adjusted issue price but less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest will be considered to have purchased the Note at an acquisition premium. Under the acquisition premium rules, the amount of original issue discount that the U.S. Holder must include in its gross income with respect to the Note for any taxable year will be reduced by the portion of acquisition premium properly allocable to that year.

Sale or Other Disposition of Notes

A U.S. Holder's tax basis in a Note will generally be its cost, increased by the amount of any OID or market discount included in the U.S. Holder's income with respect to the Note and the amount, if any, of income attributable to *de minimis* OID and *de minimis* market discount included in the U.S. Holder's income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortizable bond premium applied to reduce interest on the Note. A U.S. Holder's tax basis in a foreign currency Note will be determined by reference to the U.S. Dollar cost of the Notes. The U.S. Dollar cost of a Note purchased with a foreign currency will generally be the U.S. Dollar value of the purchase price on the date of purchase or, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase.

A U.S. Holder will generally recognize gain or loss on the sale or other disposition of a Note equal to the difference between the amount realized on the sale or other disposition and the tax basis of the Note. The amount realized on a sale or other disposition for an amount in foreign currency will be the U.S. Dollar value of this amount on the date of sale or other disposition or, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the sale. Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent

of the IRS. Except to the extent described above under "*Market Discount*" and "*Original Issue Discount – Short-Term Notes*" or attributable to accrued but unpaid interest or changes in exchange rates, gain or loss recognised on the sale or other disposition of a Note will be capital gain or loss and will generally be treated as from U.S. sources for purposes of the U.S. foreign tax credit limitation. In addition, the rules applicable to foreign currency Notes could require some or all gain or loss on the sale, exchange or other disposition of a foreign currency Note to be recharacterized as ordinary income or loss. U.S. Holders are urged to consult their tax advisers regarding the U.S. federal income tax consequences of the ownership and disposition of foreign currency Notes. In the case of a U.S. Holder that is an individual, estate or trust, the maximum marginal federal income tax rate applicable to capital gains is currently lower than the maximum marginal rate applicable to ordinary income if the Notes are held for more than one year. The deductibility of capital losses is subject to significant limitations.

Gain or loss recognised by a U.S. Holder on the sale or other disposition of a Note that is attributable to changes in exchange rates will be treated as U.S. source ordinary income or loss. However, exchange gain or loss is taken into account only to the extent of total gain or loss realized on the transaction.

Disposition of Foreign Currency

Foreign currency received as interest on a Note or on the sale or other disposition of a Note will have a tax basis equal to its U.S. Dollar value at the time the interest is received or at the time of the sale or other disposition. Foreign currency that is purchased will generally have a tax basis equal to the U.S. Dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Notes or an exchange for U.S. Dollars) will be U.S. source ordinary income or loss.

Benchmark Amendments

If a Benchmark Amendment is made as a result of a Benchmark Event within the meaning of Section 6.2(g)(iv) or similar adjustments to the manner in which interest is calculated under the Notes are made, (such change, a **Reference Rate Adjustment**), this may be treated as a deemed exchange of old notes for new notes, which may be taxable to U.S. Holders, or may affect the calculation of OID. U.S. Holders should consult with their tax advisers regarding the potential consequences of a Reference Rate Adjustment.

Proposed Treasury regulations describe circumstances under which a Reference Rate Adjustment would not be treated as a deemed exchange and would not affect the calculation of OID, provided certain conditions are met. Moreover, the IRS has issued guidance that sets forth certain safe harbours pursuant to which replacing a rate based on LIBOR with an alternative method or index would not result in a deemed exchange. However, there can be no assurance that these regulations, in either their current form or as finalised, or this guidance, will provide any relief from the tax consequences described above if a Reference Rate Adjustment is effected. Prospective U.S. Holders should consult their own tax advisers regarding the application of these rules in their particular circumstances.

Backup Withholding and Information Reporting

In general, payments of principal, interest and accrued OID on, and the proceeds of a sale, redemption or other disposition of, the Notes, payable to a U.S. Holder by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding will apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or otherwise to comply with the applicable backup withholding requirements. Certain U.S. Holders are not subject to backup withholding.

Certain U.S. Holders may be required to report to the IRS certain information with respect to their beneficial ownership of the Notes. Investors who fail to report required information could be subject to substantial penalties.

Disclosure Requirements

U.S. Treasury regulations meant to require the reporting of certain tax shelter transactions (Reportable Transactions) could be interpreted to cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the U.S. Treasury regulations, certain transactions with respect to the Notes may be characterized as Reportable Transactions including, in certain circumstances, a sale, exchange, retirement or other taxable disposition of a foreign currency Note. Persons considering the purchase of such Notes should consult with their tax advisers to determine the tax return obligations, if any, with respect to an investment in such Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

OTHER TAX CONSIDERATIONS

The proposed financial transactions 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 (each, other than Estonia, the **participating Member States**). However, Estonia has ceased to participate.

The Commission's Proposal has a very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Swedish Taxation

The following summary outlines the Issuer's understanding of certain Swedish tax consequences relating to Noteholders, if not otherwise stated. The summary relates only to the position of persons who are the absolute beneficial owners of the Notes. It may not apply to certain classes of persons such as Dealers. The summary is based on the laws of Sweden as currently in effect and is only intended to provide general information and does not constitute legal or tax advice. This summary does not address the rules regarding reporting obligations for, among others, payers of interest. Prospective investors are urged to consult their professional tax advisers regarding the Swedish tax and other tax consequences (including the applicability and effect of double taxation treaties) of holding or transferring Notes.

Noteholders not resident in Sweden

Payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes to any Noteholder should not be subject to Swedish income tax, provided that such holder is neither (i) resident in Sweden for Swedish tax purposes nor (ii) engaged in trade or business in Sweden through a permanent establishment to which the Notes are effectively connected. A private individual is resident in Sweden for Swedish tax purposes if he/she (a) is domiciled in Sweden; (b) has his/her habitual abode in Sweden; or (c) earlier has been domiciled in Sweden and after having moved abroad continues to have an essential connection with Sweden (for example, is engaged in trade or business in Sweden).

Swedish law does not provide for deduction or withholding for or on account of taxes on payments of any principal or interest to any Noteholder not resident in Sweden for tax purposes.

Private individuals (and estates after private individuals) who are not resident in Sweden for tax purposes may be liable for capital gains taxation in Sweden upon disposal or redemption of certain financial instruments, depending on the classification of the particular financial instrument for Swedish income tax

purposes, if they have been resident in Sweden or have stayed permanently in Sweden at any time during the calendar year of disposal or redemption or the ten calendar years preceding the year of disposal or redemption.

Noteholders resident in Sweden

Generally, for Swedish corporations and private individuals (and estates of deceased individuals) with residence in Sweden for Swedish tax purposes, all capital income (e.g. income that is considered to be interest for Swedish tax purposes and capital gains on Notes) will be taxable. Specific tax consequences, however, may apply to certain categories of corporations (e.g. investment companies and life insurance companies). Based on the EU Directive 2016/1164 and the relevant law implementing such Directive into Swedish law, a general limitation on net interest deduction has been introduced from 1 January 2019 for legal entities. Legal entities may only deduct net interest expenses up to 30 per cent. of taxable EBITDA. Alternatively, a relief can be applied whereby net interest expenses up to SEK 5,000,000 can be deducted. The interest deduction capacity can be split within a company group provided the companies are entitled to give/receive group contributions. Non-deductible net interest expenses can be carried forward for six years. Changes of ownership would, however, extinguish such negative interest expenses carried forward. According to these rules, losses on the Notes, which could be classified as interest, may be subject to such limitations.

If the Notes are registered with Euroclear Sweden or held by a Swedish nominee in accordance with the Swedish Financial Instruments Accounts Act (SFS 1998:1479), Swedish preliminary taxes are withheld by Euroclear Sweden or the nominee on payments of amounts that are considered to be interest for Swedish tax purposes to a private individual (or an estate of a deceased individual) with residence in Sweden for Swedish tax purposes.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have in an amended and restated programme agreement (the **Amended and Restated Programme Agreement**) dated 11 June 2021 agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*" above. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme.

In order to facilitate the offering of any Tranche of the Notes, certain persons participating in the offering of the Tranche may engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Notes during and after the offering of the Tranche. Specifically such persons may over-allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by the Issuer. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilise or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilising or other transactions. Such transactions, if commenced, may be discontinued at any time. Under U.K. laws and regulations stabilising activities may only be carried on by the Stabilising Manager(s) named in the applicable Final Terms (or persons acting on behalf of any Stabilising Manager(s)) and only for a limited period following the Issue Date of the relevant Tranche of Notes.

Transfer Restrictions

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Notes will be deemed to have acknowledged, represented and agreed, as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(a) that either (i) it is outside the United States and is not a U.S. person; or (ii) it is a QIB that is also a QP, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs that are also QPs and it is aware that any sale to it is being made in reliance on Rule 144A;

(b) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(c) that the Issuer has not registered and does not intend to register, and no guarantor of the Notes is expected to register as an investment company under the Investment Company Act in reliance on the exemption provided by section 3(c)(7) thereof;

(d) that, unless it holds an interest in a Regulation S Global Note and is a person located outside the United States that is not a U.S. person, if in the future it decides to resell, pledge or otherwise

transfer the Notes or any beneficial interests in the Notes, it will do so only (i) to the Issuer or any affiliate thereof, (ii) inside the United States to a person whom the seller reasonably believes is a QIB that is also a QP purchasing for its own account or for the account of a QIB that is also a QP in a transaction meeting the requirements of Rule 144A or (iii) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, in each case in accordance with all applicable U.S. State securities laws;

(e) it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (d) above, if then applicable;

(f) that Notes offered outside the United States in reliance on Regulation S will either be Bearer Notes or be represented by one or more Regulation S Global Notes and that Notes initially offered in the United States to QIBs that are also QPs will be represented by one or more Rule 144A Global Notes;

(g) that it understands that the Issuer has the power to compel any beneficial owner of Notes represented by a Rule 144A Global Note that is a U.S. person and is not both a QIB and a QP to sell its interest in such Notes, or may sell such interest on behalf of such owner. The Issuer has the right to refuse to honour the transfer of an interest in any Rule 144A Global Note to a U.S. person who is not both a QIB and a QP. Any purported transfer of an interest in a Rule 144A Global Note to a purchaser that does not comply with the requirements of the transfer restrictions herein will be of no force and effect and will be void *ab initio*;

(h) that the purchaser agrees that it will be deemed by such purchase or acquisition of any Note (or any interest therein) to have represented and warranted, on each day from the date on which the purchaser acquires the Note (or any interest therein) through and including the date on which the purchaser disposes of such Note (or any interest therein), that, unless otherwise provided in the applicable Final Terms, either (i) it is not, is not using the assets of, and shall not at any time hold such Note (or any interest therein) for or on behalf of, an "employee benefit plan" as defined in Section 3(3) of ERISA, that is subject to Title I of ERISA, a "plan" as defined in and subject to Section 4975 of the Code, an entity whose underlying assets include (or are deemed for purposes of ERISA or the Code to include) plan assets by reason of an employee benefit plan's or plan's investment in such entity or a governmental, church or non-US plan subject to federal state, local or non-US laws substantially similar to Section 406 of ERISA or Section 4975 of the Code (**Similar Law**) or (ii) its acquisition, holding and disposition of such Note (or any interest therein), will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of a governmental, church or non-US plan, a violation of any applicable Similar Law. Any purported purchase or transfer of such a Note (or any interest therein) that does not comply with the foregoing shall be null and void *ab initio*;

(i) that the Registered Notes, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"NEITHER THIS SECURITY NOR THE GUARANTEE THEREOF HAS BEEN NOR WILL BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY APPLICABLE U.S. STATE SECURITIES LAWS AND NEITHER THE ISSUER NOR ANY GUARANTOR HAS REGISTERED OR INTENDS TO REGISTER AS AN INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"), AND, ACCORDINGLY, THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (A "QIB") THAT IS ALSO A QUALIFIED PURCHASER WITHIN THE MEANING OF SECTION

2(a)(51)(A) OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED, AND THE RULES AND REGULATIONS THEREUNDER (A "QP") PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBs THAT ARE QPs; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QIB THAT IS ALSO A QP PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB THAT IS ALSO A QP IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A OR (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

ANY RESALE OR OTHER TRANSFER OF THIS SECURITY (OR BENEFICIAL INTEREST HEREIN) WHICH IS NOT MADE IN COMPLIANCE WITH THE RESTRICTIONS SET FORTH HEREIN WILL BE OF NO FORCE AND EFFECT, WILL BE NULL AND VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER OR ANY OF ITS AGENTS. IN ADDITION TO THE FOREGOING, IN THE EVENT OF A TRANSFER OF THIS SECURITY (OR BENEFICIAL INTEREST HEREIN) TO A U.S. PERSON WITHIN THE MEANING OF REGULATION S THAT IS NOT BOTH A QIB AND A QP, THE ISSUER MAY (A) COMPEL SUCH TRANSFEREE TO SELL THIS SECURITY OR ITS INTEREST HEREIN TO A PERSON WHO (I) IS BOTH A QIB AND A QP THAT IS OTHERWISE QUALIFIED TO PURCHASE THIS SECURITY OR INTEREST HEREIN IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OR (II) IS NOT A U.S. PERSON WITHIN THE MEANING OF REGULATION S IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S OR (B) COMPEL SUCH TRANSFEREE TO SELL THIS SECURITY OR ITS INTEREST HEREIN TO A PERSON DESIGNATED BY OR ACCEPTABLE TO THE ISSUER AT A PRICE EQUAL TO THE LESSER OF (X) THE PURCHASE PRICE THEREFOR PAID BY THE ORIGINAL TRANSFEREE, (Y) 100 PER CENT. OF THE PRINCIPAL AMOUNT THEREOF OR (Z) THE FAIR MARKET VALUE THEREOF. THE ISSUER HAS THE RIGHT TO REFUSE TO HONOUR A TRANSFER OF THIS SECURITY OR INTEREST HEREIN TO A U.S. PERSON WHO IS NOT BOTH A QIB AND A QP. EACH TRANSFEROR OF THIS SECURITY WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE AGENCY AGREEMENT TO ITS TRANSFEREE. NEITHER THE ISSUER NOR ANY GUARANTOR HAS REGISTERED AND NEITHER INTENDS TO REGISTER UNDER THE INVESTMENT COMPANY ACT.

EACH PURCHASER OF THIS SECURITY (OR ANY INTEREST HEREIN) AGREES THAT IT WILL BE DEEMED BY SUCH PURCHASE OF THIS SECURITY (OR ANY INTEREST HEREIN) TO HAVE REPRESENTED AND WARRANTED, ON EACH DAY FROM THE DATE ON WHICH THE PURCHASER ACQUIRES THIS SECURITY (OR ANY INTEREST HEREIN) THROUGH AND INCLUDING THE DATE ON WHICH THE PURCHASER DISPOSES OF THIS SECURITY (OR ANY INTEREST HEREIN), THAT, UNLESS OTHERWISE PROVIDED IN THE APPLICABLE FINAL TERMS, EITHER (I) IT IS NOT, IS NOT USING THE ASSETS OF, AND SHALL NOT AT ANY TIME HOLD THIS SECURITY (OR ANY INTEREST HEREIN) FOR OR ON BEHALF OF, AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF ERISA, THAT IS SUBJECT TO TITLE I OF ERISA, A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE CODE, AN ENTITY WHOSE UNDERLYING

ASSETS INCLUDE OR ARE DEEMED FOR PURPOSES OF ERISA OR THE CODE TO INCLUDE PLAN ASSETS BY REASON OF AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY OR A GOVERNMENTAL, CHURCH OR NON-US PLAN SUBJECT TO FEDERAL STATE, LOCAL OR NON-US LAWS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW") OR (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SECURITY (OR ANY INTEREST HEREIN), WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR, IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-US PLAN, A VIOLATION OF ANY APPLICABLE SIMILAR LAWS. ANY PURPORTED PURCHASE OR TRANSFER OF THIS SECURITY (OR ANY INTEREST HEREIN) THAT DOES NOT COMPLY WITH THE FOREGOING SHALL BE NULL AND VOID AB INITIO.

THE ISSUER MAY COMPEL EACH BENEFICIAL HOLDER HEREOF TO CERTIFY PERIODICALLY THAT SUCH OWNER IS A QIB AND A QP.

THE SECURITIES AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THE SECURITIES TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THESE SECURITIES OR A BENEFICIAL INTEREST THEREIN SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON SUCH HOLDER AND ALL FUTURE HOLDERS OF SUCH SECURITIES AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).";

(j) that the Notes in registered form which are registered in the name of a nominee of DTC will bear an additional legend to the following effect unless otherwise agreed to by the Issuer:

"UNLESS THIS GLOBAL NOTE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION, ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY REGISTERED NOTE ISSUED IN EXCHANGE FOR THIS GLOBAL NOTE OR ANY PORTION HEREOF IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUIRED BY AN AUTHORISED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON OTHER THAN DTC OR A NOMINEE THEREOF IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS GLOBAL SECURITY MAY NOT BE EXCHANGED, IN WHOLE OR IN PART, FOR A SECURITY REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY TRUST COMPANY OR A NOMINEE THEREOF EXCEPT IN THE LIMITED CIRCUMSTANCES SET FORTH IN THIS GLOBAL SECURITY, AND MAY NOT BE TRANSFERRED, IN WHOLE OR IN PART, EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THIS LEGEND. BENEFICIAL INTERESTS IN THIS

GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH THIS LEGEND.";

(k) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period, it will do so only (i)(A) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (B) to a QIB that is also a QP in compliance with Rule 144A and (ii) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART."; and

(l) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act or any U.S. state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act and the Investment Company Act and applicable U.S. state securities laws.

The Notes in bearer form for U.S. tax purposes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder.

In connection with any Notes which are offered or sold outside the United States in reliance on the exemption from the registration requirements of the Securities Act provided under Regulation S (**Regulation S Notes**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver such Regulation S Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, of all Notes of the Tranche of which such Regulation S Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Regulation S 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 any Series of 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 Rule 144A or under an exemption from registration under the Securities Act.

Dealers may arrange for the resale of Notes to QIBs that are also QPs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB that is also QP pursuant to Rule 144A is U.S.$100,000 (or the approximate equivalent thereof in any other currency). To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are "restricted securities" within the meaning of the Securities Act, the Issuer has undertaken in the Deed Poll to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Notes remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act and the Issuer is not a reporting company under Section 13 or 15(d) of the Exchange Act or exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

United Kingdom

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes having a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the **FSMA**) by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended; the **FIEA**) and each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any 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 Base Prospectus 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 (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

Switzerland

No Notes may be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (**FinSA**) and no application has or will be made to admit any Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither the Base Prospectus nor any other offering or marketing material relating to any Notes constitutes a prospectus pursuant to the FinSA, and neither the Base Prospectus nor any other offering or marketing material relating to any Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Ontario Permitted Investors

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

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

If applicable, pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the Dealers shall have any responsibility therefor.

Neither the Issue nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

GENERAL INFORMATION

Authorisation

The establishment, update and increase in size of the Programme, and the issue of Notes under the Programme, have been duly authorised by resolutions of the Board of Directors of the Issuer dated 26 August 1993, 22 April 1997, 27 April 1999, 19 June 2000, 11 April 2001, 19 June 2002, 22 May 2003, 19 May 2004, 26 May 2005, 30 August 2006, 26 October 2007, 31 October 2008, 30 September 2009, 26 May 2010, 6 April 2011, 17 April 2012, 17 April 2013, 18 March 2014, 18 March 2015, 22 March 2016, 5 April 2017, 10 April 2018, 26 March 2019, 24 March 2020 and 30 April 2021.

Listing of Notes

Application has been made to the Luxembourg Stock Exchange for Notes (other than Swedish Registered Notes which will not be listed on the Luxembourg Stock Exchange) issued under the Programme up to the expiry of 12 months from the date of this Base Prospectus to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange.

Documents

So long as any Notes are outstanding, copies of the following documents will, when published, be available free of charge (in the case of the documents referred to in paragraphs (a), (d) and (e) below for inspection only) from the registered office of the Issuer and on the Issuer's website at *www.kommuninvest.se* and from the specified offices of the Paying Agents for the time being in London:

(a) the constitutional documents (in English) of the Issuer;

(b) the financial statements of the Issuer in respect of the financial years ended 31 December 2020 and 31 December 2019;

(c) the most recently available audited annual financial statements of the Issuer and the most recently available published unaudited interim financial statements of the Issuer;

(d) the Agency Agreement (which contains the forms of the Temporary and Permanent Global Notes, the Definitive Notes, the Receipts, the Coupons and the Talons) and the Deed of Covenant;

(e) the Guarantee relating to the Notes;

(f) this Base Prospectus; and

(g) any future prospectuses, Base Prospectus, information memoranda and supplements to this Base Prospectus and the Final Terms in connection with listed Notes and any other documents incorporated herein or therein by reference.

At the date hereof, the Issuer currently publishes an unaudited interim financial report as at 30 June in each year.

In addition, copies of the Base Prospectus, each Final Terms relating to Notes admitted to trading on the Luxembourg's stock exchange regulated market and each document incorporated by reference are available on the Luxembourg Stock Exchange's website at *www.bourse.lu*.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common codes and ISIN codes for each Tranche allocated by Euroclear and Clearstream, Luxembourg will be specified in the relevant Final Terms. In addition, the Issuer may make an application for any Registered Notes to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of such Registered Notes, together with the relevant ISIN and (if applicable) common code, will be specified in the applicable Final Terms. If the Notes are to be cleared through Euroclear Sweden the appropriate ISIN code for each Tranche will be specified in the relevant Final Terms. If the Notes are to be cleared through an additional or alternative clearing system the appropriate information will be specified in the relevant Final Terms.

The address of Euroclear is 3 Boulevard du Roi Albert II, B.1210 Brussels, Belgium, the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855 Luxembourg and the address of DTC is 55 Water Street, New York, New York 10041, United States of America.

The address of Euroclear Sweden is Regeringsgatan 65, P.O. Box 7822, SE-10397, Stockholm, Sweden.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

Material Change

There has been no significant change in the financial or trading position of the Issuer since 31 December 2020 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2020.

Litigation

The Issuer (whether as defendant or otherwise) is not engaged in any legal, arbitration, administrative or other proceedings, the results of which might have or have had a material adverse effect on the financial position or the operations of the Issuer, nor is the Issuer aware of any such proceedings being threatened.

Auditors

The current auditors of the Issuer are KPMG AB, Vasagatan 16, P.O. Box 382, SE-101 27 Stockholm, Sweden, with authorised public accountant and member of FAR, Anders Tagde, as auditor in charge. The Issuer's annual accounts have been prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL), and the regulations and general recommendations of the Swedish Financial Supervisory Authority (*Finansinspektionen*) regarding annual accounts for credit institutions and securities companies (FFFS 2008:25). Consequently all International Financial Reporting Standards (IFRS) and statements endorsed by the EU are followed as far as possible, within the provisions of ÅRKL and taking into account the additions and exemptions specified in FFFS 2008:25.

Post-issuance information

The Issuer does not intend to provide any post-issuance information in relation to any assets underlying issues of Notes constituting derivative securities.

Dealers transacting with the Issuer and the Guarantors

Certain of the Dealers and their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer, the Guarantors and their affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer, the Guarantors and their affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, Guarantors or their affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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